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Korean Opposition Leader Wins Narrow Victory

Kim Dae Jung Ends Reign of Ruling Party

By Mary Jordan
Washington Post Service

SEOUL — Kim Dae Jung, the dissident voice of a generation of pro-democracy crusaders in South Korea, was elected president Friday in the closest political victory in the country's history.

When he takes office in February, President-elect Kim, 73, will move into the same presidential Blue House where previous military dictators plotted several attempts on his life.

Mr. Kim's election marks the first time since the nation was founded in 1948 that an opposition candidate has won the presidency.

The state election commission said that with 98.8 percent of votes counted, Mr. Kim had 40.3 percent to 38.7 percent for Lee Hoi Chang, the candidate of the governing party. A political newcomer, Rhee In Je, had 19.2 percent.

"I solemnly accept the will of the people and the result of the election," Mr. Lee said as he conceded defeat. "I will cooperate fully with the winner."

The victory of the National Congress for New Politics reflects voter disgust and anger with the current leadership, which is blamed for the nation's economic crisis.

Kim prevailed after years of strife. Page 4.

"Finally, there will be a two-party system. This is historic," said Kim Geun Tae, a member of the National Assembly.

He said the international community, worried about bankruptcies and stock market chaos here, should be heartened by the choice. "It will force Korean politics to be more transparent and predictable."

Thousands of Mr. Kim's supporters wept, danced, and clapped in the streets in his hometown in the agrarian province of North Cholla, outside his suburban Seoul house and even in the busy city streets. The elder statesman who is seen as the voice of the poor and common worker is idolized by his supporters.

Mr. Kim is seen as a close friend of the United States and spent 26 months in exile there. No diplomatic changes are expected between the two allies and Mr. Kim has affirmed his support for the 37,000 U.S. troops stationed here.

But Mr. Kim is expected to be far more willing to engage with the arch-enemy, communist North Korea, and many hope that this new face will bring some peaceful resolution to the tense military standoff between the two countries.

Some economic analysts had predicted that the markets might react badly to Mr. Kim's victory. He represents a drastic change in leadership and is seen as adding political uncertainty to economic chaos. He has also promised to introduce a new form of government, "a parliamentary cabinet system" with more checks and balances than the strong presidential system, but many are not sure exactly what he means.

In previous elections, Mr. Kim had been cast by the government as a radical Communist, which his supporters say is unfair. Nonetheless, that image has made him disliked.

"He is much like a Kennedy — people like him or hate him," said You Jong Keun, governor of North Cholla and a friend. "The emotion is very strong."

Mr. You, a U.S.-educated advocate of the free-market reforms that the International Monetary Fund is forcing on South Korea, is expected to be a high-profile adviser to the president-elect.

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Agence France-Presse

President-elect Kim Dae Jung smiling and surrounded by supporters before his victory.

U.S. Will Keep Its Troops In Bosnia Past June Cutoff

Fear of New War Cited In Decision to Remain

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton announced Thursday that U.S. troops would remain in Bosnia beyond the June 1998 deadline that he once declared to be firm, saying that otherwise the region faced a threat of renewed "violence, chaos" and ultimately war.

"The people of Bosnia," he said, "still need a safety net and a helping hand."

The decision, foreshadowed for weeks by administration officials, was revealed three days before Mr. Clinton is to travel to Bosnia to visit some of the 8,500 U.S. soldiers stationed there as part of the 32,000-strong Stabilization Force led by the North Atlantic Treaty Organization.

Mr. Clinton said he hoped that the U.S. presence, down from 27,000 last year, would be further reduced. He declined, however, to set a date for the troops' departure, saying that it was an error to do so before.

At the same time, he sought to emphasize that the U.S. role would have an end.

"I don't think it's necessary for us to stay until everyone wants to go have tea together at 4 o'clock in the afternoon," he said.

Facing strong political opposition to such an open-ended commitment, the president said he had consulted with congressional leaders and was pleased by their reaction. Members of both parties will accompany him on his trip to Bosnia next week.

Senator Arlen Specter, Republican of Pennsylvania, expressed wariness Thursday about the extended U.S. mission. "We have to

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Is Clinton peering through rose-colored glasses? Analysis, Page 12.

Dutch Seize 2 Croats To Face War Tribunal

By Chris Hedges
New York Times Service

ZAGREB, Croatia — Dutch paratroops and marines from the NATO-led peacekeeping force in Bosnia detained two Bosnian Croat war crimes suspects Thursday, wounding one indicted for his involvement in one of the worst massacres of the war.

The detention and swift extradition of the men to the International Criminal Tribunal for former Yugoslavia in The Hague sparked angry protests by ethnic Croats in the central Bosnian town of Vitez.

Troops from the NATO-led Stabilization Force stopped the crowd from marching to the house of one of the men seized.

NATO's secretary-general, Javier Solana, telephoned the Croatian president, Franjo Tudjman, to ask him to thwart any possible Bosnian Croat retaliation against peacekeeping troops.

The dramatic nighttime arrests by the Dutch troops was the second time peacekeeping troops have stalked and captured Bosnians indicted as war criminals.

On July 10, in the Bosnian Serb town of Prijedor, British SAS special forces shot and killed Simo Drljaca, an indicted man who resisted arrest, and seized another and transported him for trial in The Hague. The July arrests led to a spate of retaliatory attacks directed at peacekeeping units.

The Dutch defense minister, Joris Voorhoeve, said the special commando team that carried out the arrests was flown to central Bosnia for the operation and was removed from Bosnia immediately afterward.

The arrests come three days ahead of a visit to Bosnia by President Bill Clinton. It follows angry allegations earlier in the week by the tribunal's chief prosecutor, Louise Arbour,

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Hidayat Dello/The Associated Press

A Dutch soldier in the peacekeeping force standing guard Thursday in the village of Ahmici as NATO special forces moved into central Bosnia to apprehend the two suspects.

The Korean Economy Is 'Stuck'

Cash Doesn't Flow and Companies 'Are Just Firing People'

By Nicholas D. Kristof
New York Times Service

SEOUL — Sitting tiredly in his office, 36 floors above the streets of Seoul, Kim Yun Ho seethed with frustration.

"The economy is stuck," complained Mr. Kim, a trim young man in white shirt and tie, surrounded by samples of the pots and pans that his company exports.

"Banks aren't lending or doing business. It's the same with companies. They're just firing people and cutting costs. They've stopped doing their business." Mr. Kim shook his head and added, "The economy just isn't working."

That is a common complaint, for Seoul today offers the remarkable spectacle of a modern, industrial economy that seemingly has come creaking nearly to a halt. Glass-and-steel towers still preside grandly over the broad avenues, but business itself turns out to be far more fragile than the buildings in which it is conducted.

Above all, the financial crisis in South Korea underscores how the essence of modern commerce is confidence, and how computers and digital phone lines mean little without it.

In the last few days the situation has stabilized a bit, with the stock market moving up and a hint of confidence creeping back, but the uncertainties are so great that commerce is still crippled.

The trade finance system has broken down, the credit that businesses depend on for working capital is unavailable, nervousness is so great that suppliers are unwilling to let go of their goods unless they get cash, and businesses are extremely cautious about deals when they do not know what exchange rate or costs they are committing themselves to.

All this could be reversed if confidence returned, but for now the crisis has ensnared even

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Thai bank chief sees more turmoil. Page 13.

A Trans-Atlantic Beef

EU Threatens U.S. Meat Ban Over Inspections

By Barry James
International Herald Tribune

BRUSSELS — The possibility of a trans-Atlantic trade war over food safety grew Thursday when the European Commission announced that it had given the United States six months to improve procedures to ensure that meat and poultry shipped to Europe are free of hormones and antibiotics.

A spokesman for the commission, the executive body of the European Union, said EU veterinary inspectors had found lax levels of control in the United States. He said the commission could recommend a ban on U.S. meat and poultry unless procedures were improved.

"The U.S. is unable to tell us what levels of hormone exist because they do not have a high standard of controls," the spokesman, Filippo di Robilant, said. Another spokesman said that "if there is no change in six months, we will have no option but to recommend a ban."

The announcement closely followed a U.S. decision to ban all imports of live cattle and sheep from Europe, as well as some animal products, because of a risk of introducing bovine spongiform encephalopathy, or "mad cow" disease. Washington had already banned such imports from countries that had reported cases of the disease. The prohibition now extends to the entire 15-nation Union and several other countries.

Mr. di Robilant denied that the commission warning was a tit-for-tat measure. He said the veterinary report on which it was based had been carried out before the U.S. announcement.

Both sides claim to be operating out of concern for human safety, but officials on each side accused the other of acting to seize a trade advantage.

An assistant secretary at the U.S. Department of Agriculture said it had decided to ban imports of live animals and

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Dollar

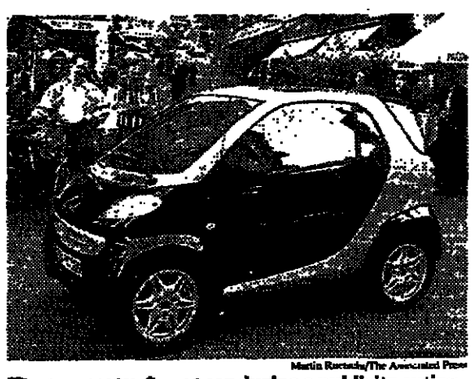
New York	Thursday @ 4 P.M.	previous close
DM	1.7745	1.774
Pound	1.6655	1.6507
Yen	128.66	127.155
FF	5.9465	5.9391

The Dow

	Thursday close	previous close
-110.91	7846.50	7957.41

S&P 500

change	Thursday @ 4 P.M.	previous close
-10.24	955.30	965.54



Martin Rietsch/The Associated Press

The two-seater Smart car during a publicity outing.

Daimler Hits Brakes On 2d Flawed Model

By John Schmid
International Herald Tribune

FRANKFURT — Daimler-Benz AG again suspended Thursday the sale to the public of a compact car that flipped over in test drives in what analysts called an embarrassing repeat of the quality troubles that plagued the company on a different model a month ago.

"It is the continuation of a nightmare," said John Lawson, industry analyst at Salomon Smith Barney in London. "It has gone into the second round."

Like the Mercedes-Benz A-class before it, the luxury automaker's Smart car suffers from a tendency to flip over on sharp turns in tests, the company said Thursday.

The admissions about both cars were stunning, observers said, for Europe's most profitable carmaker and particularly for its engineers, who have prided themselves on technically superior Mercedes-Benz sedans.

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Europe Feels a Chill From Asia

Hopes Fade on Continent for a Robust Economic Revival

By Alan Friedman
International Herald Tribune

PARIS — Europe's hopes for a strong economic recovery next year may be at risk.

Just a couple of months ago forecasters were predicting a robust 1998 across Europe. But now, the outlook is for a much more modest revival. The reasons are fresh uncertainty about the effects of the Asian financial crisis and fears that both corporate investment and consumer spending may not hold up as much as had been previously expected.

Several economists around Europe said Wednesday they were beginning to pare back their 1998 forecasts for European resurgence — from an average of 3 percent growth down to a more modest 2.5 percent rate.

"The buoyant European recovery that had been anticipated for 1998 does not look likely to materialize. We will probably see a patchy recovery," said Ken Wattret, an economist at Paribas in London.

Any gains in Europe are "taking place in a split economy, with strong net exports and very weak, if not stagnant domestic demand," said Norbert Walter, chief economist at Deutsche Bank in Frankfurt. "That is the picture for Europe, so we won't expect much change from the 2.5 percent growth rate in 1997."

While the prospect of a less robust return to economic health is unlikely to affect plans for the launch of the euro in January 1999, economists say that it means that central banks probably will be less inclined to raise interest rates in the next few months. Meanwhile, Europe's jobless rate is expected to have less chance of declining, and probably will remain little changed during most of next year.

Among the reasons most frequently cited by economists for predicting a more modest recuperation is exports: Because Europe's growth

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AGENDA

Exports Cut U.S. Trade Gap

The U.S. trade deficit with the rest of the world narrowed sharply in October, to $9.7 billion, as record exports helped offset a relentless climb in imports.

But the trade gap with Japan soared to the highest level in two and a half years, and analysts say America's trade deficits with all Asian countries will rise next year because of the region's financial turmoil.

Even with the improvement, the overall trade deficit through the first 10 months of this year is running at an annual rate of $114 billion, compared with an $111 billion imbalance for all of last year. Page 13.

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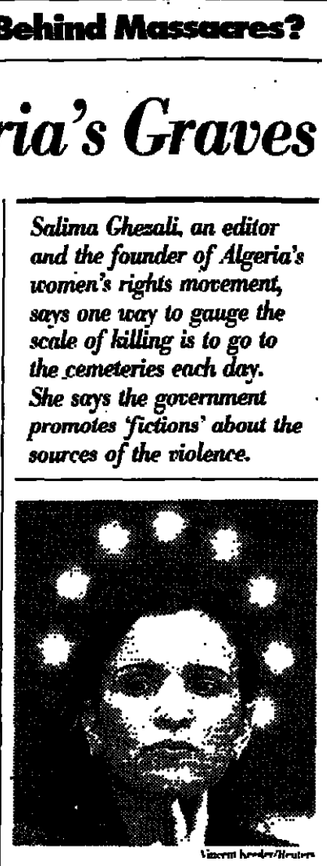
The IHT on-line www.iht.com

A Woman's Search / **Who's Behind Massacres?**

Counting Algeria's Graves

By Celestine Bohlen
New York Times Service

Salima Ghezali, an editor and the founder of Algeria's women's rights movement, says one way to gauge the scale of killing is to go to the cemeteries each day. She says the government promotes 'fictions' about the sources of the violence.



Vincent Kessler/Reuters

The Associated Press

ROME — Without a free press inside Algeria, or any other independent accounting, no one can say for sure how many tens of thousands of Algerians have been killed in the last five years of civil war, or who is behind the relentless wave of massacres, ambushes and disappearances.

But according to Salima Ghezali, an editor of the last independent journal published in Algeria until it was shut down just one year ago, one way to gauge the scale of killing is to go to the cemeteries each day and count the number of fresh, unmarked graves. That is how she and her colleagues, sidestepping Algeria's tough censorship laws, gathered material in March 1996 for a special edition on human rights violations.

Eight months later, their weekly newspaper, La Nation, was closed by government authorities, on the pretext of unpaid bills. In Rome on Tuesday, on her way to Strasbourg to collect a Sakharov Prize for democracy from the European Parliament, Mrs. Ghezali, a 40-year-old former professor of French literature and a founder of Algeria's women's rights movement, accused Algeria's military-backed government of promoting "fictions" about the sources of the violence that has wracked the country.

By her estimate, the number of dead in Algeria since 1992 has already surpassed 100,000 — Amnesty International put the figure at 80,000 or more — and is growing by as much as 1,000 a week. Just last weekend, another 34 people, including a pregnant woman and 3-year-old child, were reported killed in several attacks.

"It is the uncomfortable truth that extremist tendencies and fascist beliefs can be found just as much among Algeria's secularists as among the fundamentalists," she said, criticizing the Algerian government for its repressive methods and its failure to enter into any dialogue with its Islamic opponents.

SINCE 1992, when the Algerian Army scrapped multiparty elections that Islamic fundamentalists were poised to win, the government has maintained that the killings are the work of Islamic extremists. Given censorship laws which require that all reporting on the violence be based on official figures distributed by the Interior Ministry, and which strictly prohibit any contact with Islamic groups, there can be no other version of events inside Algeria.

"One should stop hiding behind the fan of the Islamists," Mrs. Ghezali said at a press conference at the Community of San Egidio, the Roman Catholic group that in 1995 tried to broker peace between the Algerian government and its Islamic opponents. "There are Islamists and there are Islamic terrorists, there is a terror practiced by criminals, and there is a terror sustained by the government in defense of its power. We should try to identify the source of the violence, and see who profits from it."

"The worst thing in a modern crisis is to think one can have good guys on one side, and bad guys on the other," added Mrs. Ghezali, who lives in Algeria but away from her own home in order to protect her family. "We are not dealing with two different camps. It is not an ideological battle, as it often portrayed in the West. It is a violent breakdown whose victims we can't see, and don't hear."

Mrs. Ghezali described the difficulties of trying to penetrate the mysteries surrounding the ongoing massacres, including the reasons that local government troops and police fail to intervene even when the killings are taking place in the vicinity of their own installations.

"They always claim it is because there are mines all around the area," said Mrs. Ghezali, "but then when it is all over, the mines never explode."

Given the difficulties and dangers of reporting on the violence in Algeria, La Nation, founded in 1992, stuck to more analytical articles and conducted independent investigations on, for example, the growth of Algeria's quasi-independent militias, which have been given wide-ranging authority by the government.

"There is no more independent press in Algeria and the proof of that is that the only newspaper that didn't reprint the official line was La Nation, and it was forced to close," said Malti Djallal of Reporters Without Frontiers, a Paris-based group that campaigns on behalf of press freedom around the world.

According to Mrs. Ghezali, the violence in Algeria is caused in part by the frustrations of an ailing economy and an underemployed population, of which 70 percent is under 30 years of age. She said the murders had become self-perpetuating since families often sought to avenge their own dead.

"But if you want to see a solution to the war in Algeria, go to the cemeteries, particularly on Fridays," she said. "People are always talking about women in Algeria — about the division between feminists and Islamists — but if you go to the cemeteries you see women mourning their dead, wives and mothers of the victims of terrorists, and wives and mothers of victims of the state-supported terror. There is much less hate than people think. It is not that Algerian society cannot reach a compromise, it is that it is impeded."

Greek Rescuers Search For Ukrainian Plane

Reuters

SALONIKA, Greece — Rescue teams struggling to overcome rugged terrain covered with snow and low clouds failed by nightfall Thursday to find a missing Ukrainian airliner with 70 people aboard.

Search teams stretching across a mountainous region southwest of Salonika scaled back operations as darkness fell, but officials said efforts to find the plane would be redoubled Friday.

As many as 2,000 military personnel, twice the number used Thursday, were expected to be deployed, a Defense Ministry source said.

The Russian-built Yakovlev-42 plane, flown by the Ukrainian-Israeli charter company Aerosvit, disappeared from radar screens late Wednesday as it prepared to land in Salonika airport after a flight from Kiev via Odessa, Ukraine.

Throughout the day Thursday, search teams were hampered by atrocious weather.

The military personnel involved in the search were aided by locals. Villagers in one remote area fired rifles in the air hoping to attract attention from possible survivors.

A Greek construction company, Michaniki, said 23 of its employees had been on board the plane returning for Christmas from construction work in Odessa.

A Ukrainian official said the plane was carrying 33 Greeks, 25 Ukrainians, 2 Poles, 1 German, 1 Russian and the 8-member Ukrainian crew.

In Kiev, Aerosvit's general director said that neither the pilot nor the crew had flown the route before but that they were well trained and experienced.

Greek media said that when it was last heard from, the plane had been flying at only 3,800 feet (1,150 meters), far lower than many of the mountains in the region.

The Greek federation of civil aviation employees, which had scheduled two work stoppages Thursday as part of a general strike against the 1998 budget, said it was suspending its action "in light of the disappearance of the Ukrainian plane," according to a statement.

Hong Kong Speeds Tests To Diagnose Avian Flu

The Associated Press

HONG KONG — Doctors said Thursday that they had developed faster tests for detecting the mysterious avian flu that has killed two persons and sickened at least five in Hong Kong.

But they said there were no plans to conduct mass tests of members of the public with fever and sniffles, and advised those with flu symptoms to simply see their family doctor.

"It would be an inappropriate use of resources" to test "every patient that has a runny nose," Dr. J.S.M. Peiris, a doctor at the University of Hong Kong, said at a press conference.

Dr. Peiris said that the new tests, which involve examining nasal secretions under a microscope, would enable hospital staff members to isolate avian flu victims more quickly and prescribe appropriate medicine.

Until now, hospitals have waited a week or two for viral cultures to show conclusively what strain of flu sickened the patient, he said. Tests now will require just a day or two.

Dr. Thomas Tsang of the Health Department sounded an upbeat note, saying that the latest known cases of avian flu have turned out to be milder than the early ones.

Seven persons have been confirmed as having the virus, until recently found only in poultry and other birds, while two more are suspected of having the virus. Of the seven, two have died, one has recovered and four remain hospitalized.

"The most recent cases that we see are mostly fever, sore throat, maybe runny nose," Dr. Tsang said. He added that investigators still had not answered the key question of how the virus is transmitted: from birds to people or from person to person. The second case would make an epidemic more likely.

"We won't have an answer for a Christmas present," Dr. Tsang said.

Hong Kong's two largest chicken markets reopened Thursday after a three-day precautionary cleaning.

Radio Hong Kong said that vendors at the two markets reported that their sales were down 70 percent to 80 percent.

In March, chickens began dying on three small poultry farms in Hong Kong's outlying New Territories.

Microbiologists determined that the 4,500 dead birds in Lau Fau Shan village succumbed to a particularly virulent strain of avian influenza.

The virus spreads swiftly, attacks all the cells in the infected bird's body and is nearly always fatal.

Court Finds No Bias In Delta Weight Case

The Associated Press

ALBANY, New York — New York's highest court has unanimously rejected claims by 10 flight attendants who said Delta Air Lines had barred them from jobs solely because of their weight.

The 10, all in their 40s and with at least 18 years' flight experience, interviewed for jobs with Delta in 1991, but were turned down after failing to meet the company's "personal appearance standards."

The Court of Appeals said the airline's use of weight charts did not violate state human rights laws. While the court did note that obesity is considered a medical disability that cannot be used to deny a person a job, it pointed out that each of the plaintiffs only missed the weight limits by 4 to 10 pounds (1.8 to 4.5 kilograms).

Lillian Disney, Wife of Studio's Founder, Dies at 98

By Bernard Weinraub
New York Times Service

LOS ANGELES — Lillian Disney, 98, the widow of Walt Disney and a prominent patron of the arts, died Tuesday at her home in Los Angeles after suffering a stroke Monday.

Mrs. Disney, who met her husband in the 1920s while working at a low-level job at his fledgling studio, was married to the film mogul for 41 years.

A publicity-shy figure, Mrs. Disney became active in a number of charities after her husband's death in 1966 and emerged as a leading patron of the arts. She helped found the California Institute of the Arts, which has produced many of the nation's most formidable animators.

In May 1987, Mrs. Disney made a landmark gift of $50 million to the Music Center of Los Angeles County to build a world-class concert hall. Although plans for the concert hall had stalled in recent years, mostly because of financial and artistic disagreements, the project was recently revived with a $25 million donation from the Walt Disney Co. It is scheduled to be completed in the year 2001.

Ralph Fasanella, 83, Urban Painter
New York Times Service

Ralph Fasanella, 83, who worked as a union organizer, a machinist and a gas station owner but whose lasting fame will be as a late-blooming, self-taught painter of teeming urban panoramas, died Tuesday in Yonkers, New York.

After painting in relative obscurity for nearly 30 years, Mr. Fasanella became something of a celebrity in 1972, when his photograph appeared on a cover of New York magazine with the words: "This man pumps gas in the Bronx for a living. He may also be the best primitive painter since Grandma Moses."

His large, extraordinarily detailed images depicted events that were variously personal, historical and, for New Yorkers at least, nearly universal.

From 1940 to 1945, Mr. Fasanella worked as a union organizer for the United Electrical Workers. He learned to paint after persuading the union to organize painting classes and signing up.

Doug Dibley, 101, Gallipoli Veteran
Reuters

WELLINGTON — New Zealand's last surviving veteran of the Gallipoli campaign in World War I, Doug Dibley, 101, died Thursday.

Some 68,000 Anzacs, the Australian and New Zealand Army Corps, fought at Gallipoli, a strategic peninsula in Turkey in April 1915. The battle ended in defeat for the Allied forces with the deaths of more than 8,000 Australians and 2,700 New Zealanders.

An Australian veteran of Gallipoli, Ted Matthews, also 101, died on Dec. 9.

TRAVEL UPDATE

Embassy in Mexico Warns Of Robberies in Taxicabs

MEXICO CITY (AP) — The shooting death of an American and the beating of another — both during attempted robberies in taxis — has prompted the U.S. Embassy to warn American citizens not to hail cabs on city streets here.

The advisory Wednesday came two days after Peter Zarate, 40, was shot and killed in a taxi outside his home in a wealthy neighborhood in Mexico City.

The embassy "urges U.S. citizens here to avoid taking any taxi not summoned by telephone," it said in a statement.

In several recent cases, taxi drivers, in apparent collusion with armed robbers, picked up passengers, drove them to outlying parts of the city, and robbed and abandoned them. Homicide is not usually part of the routine.

New Louvre Wing to Open

PARIS (AP) — The Louvre is finally complete after 15 years and 7 billion francs ($1.7 billion) worth of renovations, whose last leg will be inaugurated Friday by President Jacques Chirac.

The new wing, on the museum's south side overlooking the Seine, is a resplendent backdrop for 5,000 pieces of Egyptian antiquities that have been closed to the public for nearly three years. Its layout was conceived to make the collections more accessible to the public.

WEATHER

Europe

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Algarve	16/61	10/50 c	15/59	13/55 r
Amsterdam	11/52	8/46 r	10/50	8/46 sh
Ankara	-3/27	-10/15 c	1/34	-5/24 pc
Athens	8/46	4/39 s	12/53	8/46 c
Barcelona	13/55	7/44 pc	10/50	4/39 c
Belgrade	7/44	3/37 sh	11/52	5/41 sh
Berlin	-5/24	-10/15 c	9/48	8/46 sh
Brussels	12/53	8/46 sh	9/48	8/43 c
Budapest	7/44	6/43 r	11/52	8/46 r
Copenhagen	8/43	3/37 pc	7/44	6/43 r
Costa Del Sol	16/61	9/48 pc	16/61	11/52 c
Dublin	12/53	7/44 c	11/52	6/43 c
Edinburgh	11/52	7/44 sh	9/48	3/37 c
Florence	14/57	10/50 sh	12/53	8/46 r
Frankfurt	8/46	7/44 c	10/50	7/44 sh
Geneva	9/48	5/41 sh	9/48	3/37 c
Helsinki	-1/31	-5/24 pc	-1/31	-3/27 c
Istanbul	2/35	0/32 pc	9/48	8/46 pc
Kiev	-3/27	-6/24 pc	1/34	-1/31 pc
Las Palmas	21/70	18/61 pc	21/70	17/62 s
Lisbon	12/53	7/44 sh	12/53	12/53 sh
London	10/50	5/41 c	10/50	4/39 sh
Madrid	13/55	7/44 sh	8/46	3/37 c
Mallorca	15/59	8/46 r	13/55	4/39 pc
Milan	10/50	6/43 r	10/50	6/43 r
Moscow	-8/18	-12/11 c	-8/18	-12/11 pc
Munich	8/46	2/35 sh	11/52	4/39 sh
Nice	15/59	12/53 r	16/61	9/48 r
Oslo	1/34	-6/22 pc	1/34	-1/31 pc
Paris	7/44	4/39 sh	7/44	2/35 c
Prague	8/46	6/43 r	11/52	6/43 c
Reykjavik	7/44	6/43 sh	8/46	4/39 r
Riga	1/34	-3/27 pc	2/35	-1/31 pc
Rome	14/57	8/46 c	13/55	7/44 r
St. Petersburg	-3/27	-7/20 c	-3/27	-5/24 pc
Stockholm	3/37	-2/29 pc	2/35	0/32 pc
Strasbourg	11/52	9/48 r	11/52	6/43 c
Tallinn	1/34	-3/27 pc	1/34	-2/29 pc
Tbilisi	4/39	-7/20 c	3/37	-4/25 pc
Venice	11/52	7/44 r	10/50	7/44 r
Vienna	0/32	-2/29 sf	12/53	7/44 c
Warsaw	-5/24	-7/20 c	5/41	4/39 r
Zurich	10/50	7/44 c	11/52	5/41 c

Middle East

Abu Dhabi	25/77	17/62 pc	27/80	19/66 pc
Beirut	15/59	10/50 sh	15/59	8/46 s
Cairo	15/59	4/39 pc	15/59	7/44 s
Damascus	8/46	3/37 sh	12/53	2/35 pc
Jerusalem	12/53	2/35 sh	9/48	4/39 pc
Luxor	21/70	9/48 s	23/73	9/48 s
Riyadh	23/71	15/59 c	28/73	7/44 pc

Africa

Algiers	23/71	10/50 pc	17/62	6/43 c
Cape Town	26/62	19/66 s	30/86	19/66 s
Casablanca	15/59	10/50 r	15/59	11/52 sh
Harare	23/73	12/53 c	17/62	12/53 r
Lagos	32/89	23/73 s	30/86	22/71 pc
Nairobi	22/71	17/62 r	25/77	13/55 sh
Tunis	22/71	14/57 c	18/64	9/48 r

Forecast for Saturday through Monday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
It will be very stormy across the United States Saturday through Monday, as Canada remains relatively tranquil. A strong Pacific storm will bring rain and heavy mountain snow to the Rockies. Unusually cold in the southwestern U.S. and northern Mexico; warm in Florida.

Europe
There will be an active storm track through the Mediterranean Sea Saturday through Monday. A good deal of rain will fall across the southern half of Italy and the Balkans. Very cold air will remain entrenched over northern Russia; mild in the British Isles.

Asia
Typhoon Paka will be curving northeast, bringing heavy rain to the southern islands of Japan. High winds are also a possibility Saturday for coastal Japan as well. Heavy snow will fall Sunday across North Korea. Very cold air will sink south across Sinkiang and northern China.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather.

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Asia

	Today High C/F	Today Low C/F	Tomorrow High C/F	Tomorrow Low C/F
Almaty	1/34	-9/18 pc	0/32	-3/27 sn
Bali	33/91	22/71 pc	33/91	22/71 pc
Bangkok	34/93	23/73 pc	34/93	22/71 pc
Beijing	6/48	-4/25 s	2/35	-3/27 c
Bombay	31/88	19/66 s	31/88	19/64 s
Calcutta	23/73	9/48 s	24/75	10/50 s
Chiang Mai	33/91	15/59 s	31/88	14/57 s
Colombo	28/82	24/75 t	29/82	24/75 r
Hanoi	27/80	21/70 pc	27/80	21/70 c
Ho Chi Minh	33/91	22/71 s	33/91	23/73 pc
Hong Kong	25/77	19/66 pc	24/75	19/66 pc
Islamabad	14/57	1/34 sh	18/64	3/37 pc
Jakarta	30/86	24/75 sh	30/86	23/73 pc
Karachi	26/82	12/53 s	26/82	12/53 s
K. Lumpur	31/88	23/73 t	31/88	22/71 sh
K. Kinabalu	29/84	23/73 pc	29/84	23/73 s
Manila	29/84	19/66 s	29/84	23/71 pc
New Delhi	22/71	4/39 pc	22/71	4/39 s
Phnom Penh	32/89	22/71 s	32/89	22/71 s
Phuket	34/93	23/73 pc	34/93	22/71 pc
Rangoon	33/91	17/62 s	31/88	16/61 s
Seoul	12/53	-2/29 pc	8/43	-4/25 s
Shanghai	16/61	12/53 r	16/61	6/48 c
Singapore	29/84	24/75 r	29/84	24/75 r
Taipei	26/79	21/70 c	29/79	19/66 pc
Tokyo	15/59	11/52 s	15/59	9/48 pc
Vientiane	32/89	18/64 pc	31/88	17/62 pc

North America

Anchorage	-3/27	-12/11 sn	-6/18	-12/11 sf
Atlanta	20/68	7/44 s	17/62	7/44 pc
Boston	11/52	0/32 pc	9/48	-1/31 pc
Chicago	8/46	1/34 c	4/39	-2/29 c
Dallas	21/70	11/52 pc	12/53	-1/31 r
Denver	-2/28	-11/13 sn	1/34	-12/11 pc
Detroit	9/48	2/35 c	6/43	-1/31 sf
Honolulu	28/79	19/64 s	28/82	20/68 pc
Houston	23/73	11/52 pc	20/68	3/37 sh
Los Angeles	16/61	8/46 s	18/64	3/37 pc
Miami	23/73	17/62 s	25/77	19/66 pc
Minneapolis	-1/31	-9/16 c	-3/27	-9/16 c
Montreal	2/35	-7/20 c	2/35	-9/16 sf
Nassau	24/75	18/61 s	25/77	18/64 pc
New York	13/55	3/37 pc	12/53	2/35 pc
Orlando	24/75	11/52 s	24/75	14/57 pc
Phoenix	19/59	3/37 t	13/55	3/37 s
San Fran	16/61	6/43 s	11/52	3/37 pc
Seattle	6/43	0/32 r	6/43	1/34 sh
Toronto	7/44	-2/29 c	3/37	-2/29 sf
Vancouver	4/39	3/37 r	6/43	-4/25 sh
Washington	18/61	4/39 pc	14/57	2/35 pc

Latin America

Buenos Aires	24/75	19/66 r	25/77	12/53 pc
Caracas	29/82	18/64 s	27/80	19/66 s
Lima	26/79	21/70 r	25/77	21/70 sh
Mexico City	23/73	11/52 c	17/62	9/48 c
Rio de Janeiro	28/82	22/71 pc	26/82	24/75 pc
Santiago	29/78	9/48 pc	22/71	6/43 s

Oceania

Auckland	23/73	17/62 pc	23/73	18/61 pc
Sydney	29/84	21/70 c	24/75	20/68 pc

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THE AMERICAS

Elastic Spending Limit?

Auditors Say Republicans Broke Rules

By Richard L. Berke
New York Times Service

WASHINGTON — Auditors for the Federal Election Commission contend that last year's Republican National Convention exceeded its legal spending limit by about $3.7 million in costs paid for by sources that include the city of San Diego and the host committee.

The accusation is the latest example of how political parties continue to find imaginative, and potentially illegal, ways to funnel contributions from corporations and other sources.

The Republican and the Democratic parties were each given $12.4 million in federal money last year to pay for their conventions. But in newly released audits, lawyers for the election commission said other expenses for such items as identification badges and camera stands were paid for by the host committee — a group of civic and business leaders — and by the city of San Diego.

The host committee and the city paid for expenses like information booths about San Diego and decorations but not for direct costs of the event. The commission's auditors assert that the Republicans broke the rules and recommend that they return the money.

But Mike Collins, press secretary for the Republican National Committee, dismissed the findings as nitpicking.

"We're absolutely confident that when this thing goes through the FEC process," he said, "virtually all of these recommendations are going to be rejected because their interpretation is such hair splitting."

The city of San Diego took sharp issue with the auditors' conclusions and insisted in a detailed rebuttal that its actions were legal and appropriate.

The auditors' findings, which were confirmed by the commission's counsel, were presented to the Federal Election Commission this month, but it is not expected to act until sometime next year. Commission officials said they had not finished a comparable audit of spending by the Democratic Party at its national convention last year in Chicago.

The audits show that the commission's investigators, though hobbled by a tight budget and staffing cuts, do occasionally uncover possible instances of fresh efforts to skirt election laws. The amount of money at issue is more than the $3 million that the Democratic National Committee has returned in contributions from the 1996 campaign because party officials said they might have been illegal or inappropriate.

Yet action by the commission may be another matter. It usually does not act on its auditors' recommendations until years after an election. Even then, the six-member commission often deadlocks along party lines.

Election commission officials said there had never been a case where a host committee spent so much money for expenses that were traditionally paid for by a party itself. The officials said the spending amounted to a means to circumvent the $12.4 million spending limit.

Katherine Cantin/The Associated Press

FREED — Children from a day care center in Plano, Texas, running toward a policeman after a gunman seized the center and held its occupants hostage. The man released all but his son and stepson Thursday.

Away From Politics

• **Relatively few people are signing up to have air bag on-off switches installed in their cars. The National Highway Traffic Safety Administration has received about 11,000 requests for applications, and 1,500 of them have been filled out and returned.** *(AP)*

• **The 450-pound lioness that got out of a cage at a roadside zoo in Kissimmee, Florida, and spent two days wandering through dense woods near popular tourist attractions, was shot with a tranquilizer dart and returned to the JungleLand Zoo.** *(AP)*

• **New York City Council has effectively banned outdoor cigarette advertising in most of the city by barring the ads within 1,000 feet of schools, playgrounds and day-care centers.** *(NYT)*

New Jersey Lets Gay Couple Adopt a Child Together

By Judith Havemann
Washington Post Service

WASHINGTON — New Jersey has become the first state in the United States to allow gay partners to adopt children jointly on the same basis as married couples.

Immediately characterized as a key benchmark in gay rights, the new policy resulted from the settlement of a class-action lawsuit brought by a gay couple in New Jersey who sought to adopt a child from the state's foster-care program.

While its practical effect extends only to children in the custody of the state of New Jersey, gay-rights advocates said that it placed all unmarried couples in the state on equal footing with married couples for the first time, and would vastly streamline the process for homosexuals seeking to adopt.

The Family Research Council deplored the ruling. Robert Knight, its director of cultural studies, called the settlement "a victory for homosexual activism and a defeat for children already bruised in life and in need of an intact, committed husband-and-wife family."

Gay men and lesbians have been working on several fronts to win legal recognition for their personal and family relationships, seeking "domestic partnership" legislation, equality with heterosexual couples for health and life insurance benefits, and equal opportunity to adopt and obtain custody and visitation rights.

A handful of states and the District of Columbia already allow gay couples to adopt children in a complex and expensive two-step process, in which first one parent is allowed to adopt and then the second can petition for joint rights.

But the practical effect in New Jersey of allowing both adults to adopt together is that, at the outset, they obtain the same legal rights and responsibilities for the child. That issue is important for several reasons. It is a signal from the state that a gay couple can act as a family unit. More critically, it could determine a child's fate if something happened to one parent.

In addition, married couples tend to have an advantage over single people in seeking adoption rights. With New Jersey law now allowing gays as well as unmarried heterosexual couples equal adoption rights, the automatic advantage of married couples would disappear.

The case involved a couple, Michael Galluccio, 35, and Jon Holden, 34, who had been caring for a 2-year-old foster child since he was 3 months old. The child was addicted to cocaine and exposed to HIV, the virus that causes AIDS, when he was born.

Mr. Galluccio said: "We are on equal footing now, with all couples, straight and gay. There are a lot of people who want to become families."

POLITICAL NOTES

FBI to Yield Part of Freeh Memo

WASHINGTON — Officials of the FBI have agreed to provide more information to House members about Louis Freeh's confidential memorandum recommending an independent prosecutor to investigate campaign finance abuses, according to a House committee chairman.

But it remained unclear how much detail the bureau would actually provide to the House Government Reform and Oversight Committee, which has been investigating campaign finance abuses.

Bureau officials said they would provide a verbal description of parts of the 22-page memo from the FBI director. But a committee aide said officials would read some passages, summarize others and omit those that are part of a grand jury inquiry into campaign finance. *(NYT)*

U.S. to Fight Diseases Overseas

WASHINGTON — The Agency for International Development will spend an additional $50 million this fiscal year to help control infectious diseases overseas, an investment that the agency's chief described as an expression of altruism and a strategy of self-defense.

The money will be directed to four main areas: control of tuberculosis, control of malaria, improved surveillance of disease outbreaks and a broad effort to detect and limit drug-resistant microbes.

All four areas either have touched the United States directly or have the potential to do so, said J. Brian Atwood, the agency head.

The $50 million appropriated by Congress may signal the start of a long-term commitment to fight infectious diseases outside the United States, several officials said. *(WP)*

Quote/Unquote

Representative Dick Gephardt, the House minority leader, on the Kyoto Protocol establishing limits on greenhouse emissions: "I really think what you've got here is an outline or a blueprint that still has to be filled in. It's clear that we don't have an agreement with the developing nations. Everybody has said that has to happen." *(AP)*

Yale to Pay Damages to AIDS-Infected Doctor

New York Times Service

NEW HAVEN, Connecticut — A jury has ordered Yale University to pay $12.2 million to a doctor who was infected with the AIDS virus after sticking herself with a needle while treating an AIDS patient at Yale-New Haven Hospital in 1988, when she was a first-year medical intern.

In a case that her lawyers hope will have ramifications in medical schools throughout the United States, the six-person jury agreed with the doctor's contention that Yale University did not train or supervise her properly, causing her potentially fatal injury.

"We did it," said the doctor, 35, who has remained anonymous during the trial and was identified in court papers as Jane Doe. "And, hopefully, we sent a message loud and clear: You've got to train people."

William Doyle, Yale's lawyer, who said that the doctor was to blame for the needle stick, added that the school would appeal. "The consequences of Dr. Doe's needle stick presented a very sympathetic case, and I'm afraid that sympathy carried the day," Mr. Doyle said.

An expert in health-care worker safety said she hoped the verdict would help change a flawed system.

Dr. Janine Jagger, director of the International Health Care Worker Safety Center at the University of Virginia, said, "The prevalent philosophy of 'see one, do one, teach one' is totally inadequate for training in procedures which have such life-threatening consequences."

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The International Herald Tribune recently worked with Thai Airways International to run a competition to raise funds to build THAI JUMBO VILLAGE SURIN. An Elephant Conservation. Thamnoon Wanglee, President of Thai Airways International says that the conservation aims to "establish an appropriate system to conserve Asian elephants." Once Jumbo Village becomes established as a central elephant reserve, Thai Airways International hopes to expand the scope of the reserve to other countries with significant elephant populations.

We would like to thank those of you who took part in the competition and to those of you who sent a donation. The following winners have won twin business class return tickets to Thailand, courtesy of Thai Airways International.

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Herald Tribune — THE WORLD'S DAILY NEWSPAPER

Thai

ASIA/PACIFIC

Journey From Jail Cell To Presidential Palace

Along the Way, Victor Defied Assassins

By Mary Jordan
Washington Post Service

SEOUL — Kim Dae Jung's supporters call him the Nelson Mandela of Korea and, with the 73-year-old dissident's epochal election Friday as South Korea's next president, the analogy seems more apt than ever.

In opposite corners of the world, Mr. Mandela and Mr. Kim have devoted their lives to fighting injustice. In South Africa, Mr. Mandela went to prison for opposing apartheid; in South Korea, Mr. Kim's pro-democracy, pro-human rights crusade caused the dictators he opposed to jail him and repeatedly try to kill him. When Mr. Mandela won the Nobel Peace Prize, Mr. Kim was one of the nominees he beat out.

Now both men have been elected president of a homeland that was once bitterly hostile to them. Both represent the common man: an oppressed black majority in South Africa, the working class in South Korea.

"His life would make a great movie," said Mr. Kim's longtime ally, You Jong Keun, governor of Mr. Kim's home region, North Cholla Province. "Because of his persecution, he is almost idolized."

It has been an article of faith in South Korean politics since the 1970s that "Dee Jay" could never be elected president, mainly because the solid core of voters who supported him was outnumbered by an equally determined core who despised him. Before now, no president in Korean history has hailed from the more agrarian, poorer southwest corner of the nation.

To his enemies, Mr. Kim's moderate approach to North Korea and his close ties with organized labor smacked of Communist sympathy. Those who opposed him say he is an egotist, infected with "*daetongryong byung*," the presidential disease, an obsession to become president that has kept him running for almost 40 years.

Unfortunately, for Mr. Kim, his archenemies were powerful autocrats who seemed to control everything but thought here as late as the 1980s. Military strongmen such as Park Chung Hee, Chun Doo Hwan and Roh Tae Woo told the people to hate Mr. Kim, and the message sunk in.

This time around, financial reform that limited spending and the "media" age, which for the first time made television the most important campaign tool, helped lift the man from a backwater port town of Mokpo in Cholla to the presidency.

In 1971, a young congressman surprised the nation by almost defeating Mr. Park in a presidential election. Most observers believe Mr. Kim would have won had the election been fully free and fair. The race was enough to set Mr. Park's security services against him.

During the campaign, a truck smashed into Mr. Kim's car, killing his driver and leaving him with a limp. Mr. Kim said that was the government's first attempt to kill him.

In 1973, Mr. Kim was kidnapped by South Korean security agents from a Tokyo hotel, spirited out to sea on a ship and prepared for execution by drowning. Mr. Kim was saved by the appearance of a plane that dropped a flare, apparently as a warning. Mr. Kim believes it was the U.S. Central Intelligence Agency sending a blunt signal. That has never been proven, but pressure from the American government is often credited with keeping Mr. Kim alive. He was eventually taken back to Seoul and dumped out on a Seoul street near his house.

Mr. Kim continued as an outspoken dissident leader, and when the government of General Chun staged a bloody crackdown on demonstrators in the Cholla Province city of Kwangju in May 1980, Mr. Kim was one of the first arrested.

In all, Mr. Kim spent six years in prison, seven more under house arrest, and 26 months in exile in the United States. During his time in prison, he was allowed to communicate with his family with one heavily censored one-page letter each month. Those letters became the basis for a book, "Prison Writings."

Among other things, the book details Mr. Kim's Roman Catholic faith. He once presented Edwin Reischauer, former U.S. ambassador, a handwritten scroll in Chinese characters that translates, "Serving man is like serving Heaven."

During his exile in the United States, Mr. Kim became a champion of democracy fighting against dictatorship. i On the eve of his return to South Korea, just before a key National Assembly election in February 1985, Mr. Kim was given a sendoff in Madison Square Garden that was attended by 3,000 people. He said he was returning to South Korea, despite facing 17 more years remaining on his prison sentence, because, "I have done all I can from afar."

After his return, Mr. Kim was banned from political activity until a government announcement in June 1987, that a direct presidential election would be held for the first time since before Mr. Park's time and that the political ban on Mr. Kim and other opposition leaders would be lifted.

Mr. Kim and another key opposition leader, current President Kim Young Sam, offered South Korean voters a taste of democracy. They spoke the way no one had been able to for years about human rights.

In the end, though, the opposition candidates split the vote. That allowed General Chun's chosen successor, another general, to win.

After Mr. Kim lost again in a splintered vote in 1992, he planned to retire. When he changed his mind, it was age that almost eclipsed him.

Just as he was getting close enough to taste victory, people said he was too old. Mr. Kim fought off the charge by running a vigorous campaign that exhausted even his aides.

David Longstreath/The Associated Press

Supporters of Kim Dae Jung waving campaign signs reading, "Trust me, I'm as strong as iron," on election eve.

KOREA: *Opposition Leader Wins Victory Over Establishment*

Continued from Page 1

In an interview Thursday night, Mr. You said Mr. Kim was deeply committed to the IMF reforms and was prepared for the difficult tasks ahead.

Critics say Mr. Kim will have a particularly difficult time dealing with labor. The high wages demanded by unions and laws that make it difficult to lay off workers have contributed heavily to the economic woes of businesses. Mr. Kim now faces difficult decisions regarding labor, a base of his support for decades. In his speeches, he has said he will advocate cuts in salaries over layoffs.

"It's a very delicate issue," Mr. You said. The governor, who was with Mr. Kim on Thursday night at his house, added:. "I just had a short discussion with him and he understands what he needs to do" on the labor issue.

Adding last-minute drama to the highly emotional campaign, Mr. Kim's younger brother, Kim Dae Ui, 70, died Wednesday afternoon, and his last words reportedly were, "Don't tell my brother."

The president-elect learned of the death after being asked about it by reporters Thursday morning. He spent part of election day at the hospital.

The race was so close that some of his aides believe that had the younger brother's death been widely known when 25 million people voted Thursday, it might have had an impact. At 73, Mr. Kim is the oldest candidate, and his age has been a factor in the race. Some worried that the death of the younger brother would have frightened people about whether the candidate would last the five-year term.

A strange and some say ingenious alliance with Kim Jong Pil, the former founder of the intelligence agency whose men tried to kill Kim Dae Jung, helped win the race. Kim Jong Pil is expected to be named prime minister.

The thin margin of victory does not necessarily mean Mr. Kim will have a weak government, because the power of the presidency is so potent here. But because Mr. Kim's party does not have a majority in the National Assembly, he could face difficulties pushing through the emergency economic legislation he has promised to overcome this financial crisis.

Mr. Kim said that he would not wait until the Feb. 25 inauguration to begin steering the country out of its economic troubles. Rather, he said, he would closely work with his longtime rival, the outgoing president, Kim Young Sam, so the country could regain its footing.

Kim Young Sam pledged Friday to consult with the president-elect on all important issues. "I am going to cooperate with the president-elect very closely," he said.

Kim Dae Jung said he would meet with Michel Camdessus of the IMF, which is leading a $60 billion bailout, to put to rest any concern that he might waver on the harsh conditions imposed by the institution. For one thing, the IMF is demanding an immediate opening of the closed market to foreign investment and goods.

Mr. Kim's victory was a bitter defeat for the establishment that has been at the core of South Korean politics and power for nearly 50 years. Mr. Lee, 62, the majority party's candidate and who is a former Supreme Court justice, said: "I congratulate Kim Dae Jung. I did my best."

It took a lot to topple the ruling party. In the end, television and people's disgust with insider corruption did it. This was the first campaign waged largely through TV, and that coupled with new campaign finance laws, which meant a lot less dirty money was used, gave the opposition more strength.

Perplexity and Outrage Over TV Show

200 Remain Hospitalized in Japan After Seizures From Viewing Cartoon

By Kevin Sullivan
Washington Post Service

TOKYO — Japan was still trying to figure out Thursday what happened to 685 people who were taken to hospitals with seizures, convulsions or loss of vision after watching a popular television cartoon Tuesday. About 200 victims, mainly children, remained hospitalized Thursday.

Outraged mothers accused television networks of ignoring children's health in the competition for ratings in the multibillion-dollar animation business. Some called for introduction of an electronic screening device, similar to the V-chip used in the United States, to help parents block out extremely intense animation. Others suggested that shows be reviewed for their possible effects on the health of viewers.

"We are gravely concerned at this escalating race, this competition by the television networks to show ever-more stimulating images, targeting even children," the country's largest mothers' organization said in a statement.

The victims, who range in age from 3 to 58 and live all over the country, suffered attacks during a fast-action cartoon serial called "Pokemon," or "pocket monsters." The scene that apparently triggered the neurological episodes involved a bright-white explosion on the screen followed by brilliant red, white and blue lights that flashed like a strobe light for about five seconds.

In the hour following the show, emergency service telephone lines all over the country were called as people sought ambulances. Some families reported that children stopped breathing momentarily; others reported seizures similar to those suffered by epileptics.

The numbers of people who were less severely affected could be vast.

The Yomiuri Shimbun newspaper reported Thursday that education officials in the 15 Japanese prefectures where the show was aired Tuesday night had identified 12,950 children who suffered at least minor symptoms after watching it.

"It is already well-known that television has a tremendous impact on human beings, and in the centuries to come it will become bigger and bigger," said Kikuo Asai, a researcher at the Media Education Development Center in Tokyo. "But in many ways that mechanism has not been fully understood. Perhaps the Pokemon case will help make it clearer."

The Pokemon incident has struck almost everyone here as the most bizarre thing to happen in Tokyo since the Aum Shinrikyo cult gassed the city's subway system in March 1995, killing 12 people and sending 5,500 others to hospitals.

Among those who did not seem surprised about the reactions to the show were neurologists and the makers of video games.

There is ample precedent for intense optical stimulation causing seizures and fits. Illness related to video games has increased in the past 10 years as the games have proliferated.

Several Japanese television networks said Thursday that they would screen all of their animated programming to ensure that it did not contain the kinds of visual effects that caused the problems Tuesday.

One executive at a leading producer of animated programming told The Associated Press that the Pokemon incident would probably prompt Japan to develop technical standards for animation production.

"When an animated show leads to kids ending up in emergency rooms, networks and animation production companies have to re-examine what they are doing," said the executive, who declined to be identified.

U.S. Prepares To Exempt Vietnam From Trading Curb

By Jim Mann
Los Angeles Times

WASHINGTON — The Clinton administration has decided to open the way for full-scale U.S. trade and investment in Vietnam by lifting the principal obstacle to normalized economic relations between the two countries, according to senior administration officials.

President Bill Clinton is preparing to grant Vietnam a waiver from what is called the Jackson-Vanik Amendment, the officials said. That provision bars full economic relations with a Communist country unless it permits free emigration. The administration has concluded that Vietnam's emigration policies have improved enough to qualify for the waiver.

Mr. Clinton's action will enable American companies in Vietnam to qualify for a series of U.S. programs from which they have been excluded. For example, these companies will be entitled to obtain government-backed financing for their Vietnam projects and may also insure their operations there against the risk of political upheavals.

The waiver is also one of the principal steps required for Vietnam to obtain full trading privileges in this country, known as most-favored-nation status, although other legal requirements will delay this process for a year or so.

Both the Hanoi government and American companies doing business in Vietnam have been lobbying for the Jackson-Vanik waiver since the United States established diplomatic ties in 1995 with its former enemy. The administration has been reviewing the issue throughout the fall and decided to inform Congress this week of the policy change, officials said.

"We very much look forward to this," said Virginia Foote, director of the Washington-based United States-Vietnam Trade Council, which promotes American business with Vietnam.

Le Van Bang, Vietnamese ambassador to the United States, said he had not yet been informed officially of the administration's decision.

"We hope that it can be done soon, so that American companies can be helped to compete in the Vietnamese market," he said.

Many governments in Europe and Asia already help their companies compete for business deals in Vietnam by providing subsidized, low-cost loans or other kinds of financing.

The administration's decision could spark some opposition in Congress. Last month, Jesse Helms, Republican of North Carolina and chairman of the Senate Foreign Relations Committee, wrote Secretary of State Madeleine Albright to urge holding the line against giving Hanoi the trade benefits.

"Vietnam remains a one-party, Communist state," Mr. Helms said.

Grover Joseph Rees, staff director for the House International Relations Subcommittee on International Operations, said he felt administration was moving too quickly in granting Vietnam the waiver.

"We ought to be getting something for this," Mr. Rees said. "We can't insist," he added, that the Vietnamese "have a democratic form of government, but we could insist on a wholesale release of political and religious prisoners."

Even after Mr. Clinton formally grants Vietnam the Jackson-Vanik waiver, next June he will have to ask Congress for permission to extend it for another year. Congress could then disapprove.

For U.S. businesses, the Jackson-Vanik waiver will open the way for them to obtain government-backed financing from the U.S. Export-Import Bank and, eventually, insurance against political risk by the Overseas Private Investment Corp.

Ultimately, the waiver will pave the way for Vietnam to benefit from most-favored-nation trading privileges, which would permit Vietnamese goods to be sold in the United States with the same low tariff rates enjoyed by most other countries.

BRIEFLY

Burma Warns Group On Mass Gatherings

RANGOON — Burma's ruling military government told the opposition National League for Democracy Thursday to stop holding mass gatherings or risk losing meaningful dialogue.

The warning came at a meeting between officials of the State Peace and Development Council, led by the home affairs minister, Colonel Tin Hlaing, and five central executive committee members of the league, led by the pro-democracy activist Daw Aung San Suu Kyi.

The government council also asked the league to refrain from making accusations and statements protesting the government's security measures.

There was no immediate reaction from the National League for Democracy to the meeting, the first between the two sides since the government changed its name last month from the State Law and Order Restoration Council. *(Reuters)*

Ranariddh Loyalists Kill 30 Soldiers

CHONG CHOM PASS, Thailand — Cambodian opposition forces loyal to the deposed first prime minister, Prince Norodom Ranariddh, killed about 30 government soldiers Thursday in an ambush near the border town of O'Smach, a Thai Army officer said.

The opposition fighters ambushed the government troops as they were traveling by truck from the northwestern town of Samrong to the front line near O'Smach, Colonel Pichet Ajrittirong said.

He said all of the government soldiers in the convoy were killed in the ambush.

A Defense Ministry spokesman in Phnom Penh said he had not received any reports about an ambush.

Cambodian government troops under Second Prime Minister Hun Sen, who toppled Prince Ranariddh in a July coup, began a new offensive against opposition forces camped in O'Smach on Monday. *(Reuters)*

Japan Opens Tunnel Under Tokyo Bay

TOKYO — Ribbons were cut Thursday on both sides of Tokyo Bay to open what Japan claims is the world's longest undersea tunnel exclusively for automobile use.

The Tokyo Bay Aqualine, built at a cost of 1.44 trillion yen ($11.3 billion) consists of a 4.4-kilometer (2.7-mile) bridge and a 9.4-kilometer tunnel that allows commuters to cross the bay in about 15 minutes, they said.

The bridge-tunnel, which has been in the works for more than three decades, is expected to increase local economies and eliminate the 80-kilometer trip around the bay. The one-way toll for a car is 4,000 yen ($31). *(Reuters)*

Tear Gas on Train Sickens Tokyo Riders

TOKYO — At least 60 passengers on a packed commuter train were taken to hospitals with eye and throat pain Thursday morning after a group of alleged pickpockets sprayed tear gas to escape from undercover police, the police said.

The five pickpockets, some of whom wielded knives, escaped, the Tokyo Metropolitan Police Department said.

None of the injuries were serious, but passengers panicked as the scene quickly reminded them of the nightmarish 1995 gassing on the Tokyo subway by the Aum Shinrikyo doomsday cult, in which 12 died and thousands were sickened.

Two plainclothes investigators were in the train car where the incident took place as part of daily anti-pickpocket surveillance, a police spokesman said. *(AP)*

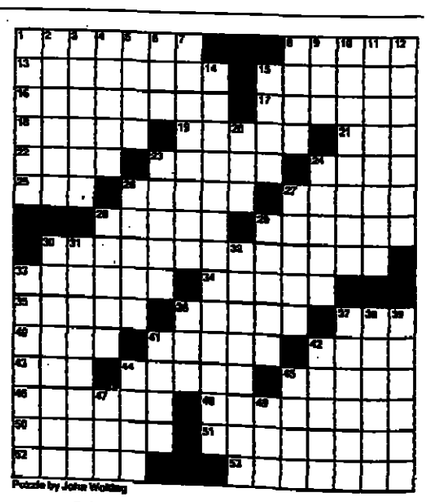
CROSSWORD

ACROSS
1 Bribed
8 Duties
13 Library transactions
15 Barbecuer's supply
16 Feelers
17 Admittance
18 Alters course
19 Sugar ——
21 Perceive
22 Break bread
23 Philip Morris brand
24 Carpenter's groove
25 Explain further
26 Carter Secretary of State
27 Japanese-American
28 Dry out
29 Unpolished leather
30 Interrogation technique
33 Slips
34 Hot-tempered, energetic type
35 Doing things
36 Beams
37 Demon ——
40 Tiny isthmus
41 Tiler's need
42 Not-so-powerful currency
43 Close (in)
44 —— point
45 Entire spectrum
46 Electronics groundbreaker
48 "Gentlemen, you are welcome to ——": Hamlet
50 Bush whackers?
51 0, in some measures
52 Wasn't vigilant
53 Salon supplies

DOWN
1 Newspaper founded in 1912
2 Epic of a wanderer
3 Have in view
4 Moline, Ill., manufacturer
5 Acknowledges
6 Car engine component
7 Guitar genre
8 Ignore, with "out"
9 Envelope abbr.
10 Sea in a Jean Rhys title
11 Like awful mud
12 End of a boss's order
14 Police groups
15 Big shot at a bar?
20 It has a shell
23 1991 Grammy-winner Cohn et al.
24 Tiddlywinks, e.g.
26 Skywalker foe
27 "David" and others
28 Propose
29 Inclement
30 Step on it
31 Make the best of
32 Less flexible
33 They raise crops
36 Instinctive
37 Doff
38 One making a big return
39 Parts of chains
41 Composes
42 Discussion group
44 What's left
45 Quarter pint
47 Be all wet
49 —— Miguel (largest of the Azores)

Solution to Puzzle of Dec. 18

R	O	S	A		L	E	N	O			H	A	V	E
A	R	U	M		S	L	O	B		C	O	L	E	S
W	I	S	E	G	U	I	S	E		U	N	I	T	S
L	E	I	L	A			E	S	P	R	E	S	S	O
S	L	E	I	G	H	T	D	E	L	A	Y			
		A	S	E	A			A	B	D	U	C	T	
A	L	A			A	C	E	S		L	E	R	O	I
J	U	S	T	A	L	I	T	T	L	E	W	I	L	E
A	B	O	R	T		T	H	A	I			S	A	D
R	E	F	I	T	S			S	R	T	A			
		F	E	I	N	T	H	E	A	R	T	E	D	
I	M	P	O	S	T	O	R			P	A	R	S	E
R	E	A	C	T		B	U	C	K	A	R	U	S	E
A	T	L	A	S		L	E	V	I		A	R	A	M
N	E	L	L			E	D	I	T		T	O	Y	S



Puzzle by John Wolking

© New York Times/Edited by Will Shortz.

صكذا من الأصل

EUROPE

EU and Turkey Work At Soothing Tensions

'Reflection and Calm' Urged After Rebuff

Reuters

COPENHAGEN — The European Union and Turkey sought to tone down a dispute Thursday over an EU rebuff of Ankara's membership hopes.

The Russian foreign minister, Yevgeni Primakov, tackling broader issues at a meeting of the 54-nation Organization for Security and Cooperation in Europe, criticized NATO expansion as divisive.

The foreign affairs commissioner of the European Union, Hans van den Broek, met with the Turkish foreign minister, Ismail Cem, on the sidelines of the conference.

Leaders of the European Union announced at a summit meeting last weekend that they would hold membership talks with 10 former Soviet-bloc countries and Cyprus.

But they did not accept Turkey, which has been seeking membership for 34 years, as an official candidate, even though they did not rule out its candidacy in the future.

Mr. van den Broek said Thursday that he favored a "period of reflection and calm" in relations between the European Union and Turkey. He said he believed that Turkey was not opposed to the idea.

Mr. Cem said that the EU had offered Turkey a "third-class compartment."

But he said at a press conference: "The EU should not be an obsession. The EU is a goal. If Turkey does not become a member, it's not the end of the world."

Ankara also appeared to soften a threat, made Wednesday by Prime Minister Mesut Yilmaz, to withdraw its EU membership bid entirely if the 15-member Union did not include it in a list of candidates for membership.

"The prime minister gave one of the options before Turkey," the state-run Anatolian News Agency quoted Bulent Ecevit, a deputy prime minister, as saying. Mr. Ecevit added that the Turkish cabinet had not discussed Mr. Yilmaz's warning.

Meanwhile, Mr. Primakov warned the foreign ministers at the conference to avoid moves that could divide Europe. He criticized the campaigns of East European countries to join the North Atlantic Treaty Organization.

Mr. Primakov said a new security charter should create a "common space of security without dividing lines" and should "serve the interests of all states, whether or not they are in military alliances."

Russia favors strengthening the Organization for Security and Cooperation in Europe to make it, instead of NATO, the Continent's main security group.

Mr. Primakov also said Moscow wanted the European security organization to preserve a principle of consensus for all decisions — a condition that critics say often ties it to uttering platitudes.

Foreign Minister Klaus Kinkel of Germany said that Bonn was willing to discuss the idea of "consensus minus one" to make the organization's decision-making process less cumbersome.

Yeltsin Is Ready To Work Again

Reuters

MOSCOW — President Boris Yeltsin, feeling "great" after recovering from a viral infection, said Thursday that he would resume work Friday, but the Kremlin said he would not immediately leave the sanatorium where he is staying.

Mr. Yeltsin, whose illness triggered fears about a recurrence of last year's heart problems, held talks at the Barvikha sanatorium with Prime Minister Viktor Chernomyrdin about Russia's economic and social problems.

"Everything is all right with me," Mr. Yeltsin said in televised remarks ahead of the meeting. "My illness was not related to any heart problems. It was indeed a cold and there was a danger of complications."

Mr. Yeltsin, who was admitted to the sanatorium just outside Moscow on Dec. 10, looked relaxed.

Asked how the president was feeling, a Kremlin spokesman said: "Great."

BRIEFLY

Clash Erupts in Bonn At Education Protest

BONN — Students shouting "Kohl Out!" clashed with riot police near the chancellor's office Thursday during a protest against education cuts.

The police said that several students and police officers had been injured. They added that about 400 leftist extremists had used the demonstration as a cover for violence.

Police ringed the government district as buses and trains brought about 30,000 students from across Germany into the center of Bonn to climax a month of demonstrations and strikes over overcrowded lecture halls, crumbling buildings and poor teaching at universities. Student leaders blame the problems on inadequate federal funding.

Several hundred students threw bottles, smoke bombs, eggs and paint-filled balloons. They tried to break through the police lines but were pushed back with clubs and horses. *(Reuters)*

Police arresting a protester Thursday in Bonn during the student demonstration. Several people were injured.

Dairy Farmers Block Main Roads to Rome

ROME — Dairy farmers used tractors Thursday to block the main roads leading to central Rome, paralyzing traffic in the latest confrontation with the government over European Union milk fines.

The hourlong protest backed up traffic for about 10 kilometers on the ring road that links the main north-south highway. Some commuters said it had taken them as much as three hours to get to work. Many turned back.

Dairy farmers have led a series of protests and road blockages since the European Commission said this month that it would take legal action against Italy and Spain over failure to comply with the EU milk quota regime.

The farmers say Prime Minister Romano Prodi's center-left government miscalculated the quota size and should pay fines imposed for overproduction. The government has said it is willing to compensate some farmers for as much as 80 percent of the fines. *(Reuters)*

Iliescu Faces Inquiry On Shootings in 1989

BUCHAREST — Prosecutors will question former President Ion Iliescu over his role in the 1989 anti-Communist uprising, when dozens of people were shot and killed by troops after the dictator Nicolae Ceausescu fled the capital.

General Dan Voinea said the former president, who came to power during the uprising, would be questioned by military prosecutors "over orders he issued to troops in December 1989 to use guns at the state television building."

More than 80 people were killed and another 200 wounded on Dec. 22 when troops attacked gunmen who had besieged the television headquarters in central Bucharest, hours after Mr. Ceausescu and his wife fled the city by helicopter.

"Some of those responsible for causing the deaths of those people killed at the television building assumed senior state jobs after that," General Voinea said.

"This explains why investigations into those events could not be launched before." *(Reuters)*

Lawsuit in N.Y. Says Banks in France Block Access to Jews' Accounts

The Associated Press

NEW YORK — A lawsuit filed in Brooklyn federal court accuses nine banks in France of blocking access to Jews' accounts under the Vichy regime, then failing to account for seized assets after the end of World War II.

The lawsuit, which was filed Wednesday by two Holocaust survivors, Fernande Bodner and Anna Zajdenberg, and which petitions for class-action status, seeks recovery of the seized assets and compensatory and punitive damages.

It echoes another lawsuit, filed last year in Brooklyn federal court, against Swiss banks accused of hoarding billions of dollars in accounts belonging to Holocaust survivors and victims and their descendants.

"We feel that it's an appropriate time for an accounting by the French banks who would be the custodians for the records since the assets and bank accounts of all Jews in France were frozen and expropriated in the period from 1942 to 1944," said Kenneth McCallion, the plaintiffs' lawyer.

"No accounting has taken place since the end of the war."

The lawsuit is consistent with a report published earlier this month by the French magazine Le Point, which said the French government secretly kept gold, jewels and property looted by the occupying Nazis during World War II instead of returning the plunder to its owners. The article said the assets were instead used to rebuild the nation after the war.

One state-owned bank named in that article, Credit Lyonnais, also is named in the lawsuit. The Le Point article said that in 1947 a Jewish couple tried to recover gold they had deposited at Credit Lyonnais before the war, but were told by Finance Ministry officers that there would be no reimbursement.

The other banks named in the suit are: Banque Paribas; Barclays Bank; Societe Generale; Banque National de Paris; Credit Commerical de France; Credit Agricole; Banque Francaise du Commerce Exterieur, and Banque Worms Capital Corp.

BOOKS

HOGARTH: A Life and a World

By Jenny Uglow. 824 pages. $40. Farrar Straus Giroux.

Reviewed by Bruce Cook

UNDER a pseudonym, I write a series of historical mysteries set in 18th-century London, a time and place I can reach only by means of other books. Of the library I've assembled, no book has been more helpful to me than a collection of 101 engravings by William Hogarth. He, who lived from 1697 to 1764, documented his age, caricatured and pilloried it, as no other artist has any other. It is difficult even to think of London in that time without calling to mind the pictures he painted and his even better known engravings.

Without Hogarth, how would we know the look of the forbidding interior of Bedlam, of the Fleet and Bridewell prisons, or the chaos of hanging day at Tyburn Hill? With some allowance made for the sort of exaggeration that he loved, he was the 18th-century equivalent of a master photojournalist — oh, but more, so much more.

His peculiar genius was appreciated very early on. Less than 20 years after his death the first rough attempt at a biography appeared. There followed a trickle of print collections and biographies through the 19th century which in our own age of scholarly research has now gushed to a flood. The most widely acclaimed, because of its thoroughness, is Ronald Paulson's "Hogarth: His Life and Times," first published in two volumes in 1971, and recently expanded to three.

Jenny Uglow, a professional biographer, has a way of bringing her subject and his milieu alive in a way that memory tells me Paulson's academic prose simply failed to do. Hers is a book that welcomes the reader; it is thoroughly researched, yet written with great enthusiasm for that mad, crude, besotted age and a great affection for the man who pictured it so well in all its grim glory.

He was born the son of a teacher, tutor and Grub Street writer, within sight of Newgate jail and the smell of Smithfield meat market. His father struggled to support his family but fell into debt and was forced into the "Rules" of the Fleet debtors' prison, the miserable slum where debtors, technically in jail, might live with wife and children. They were released after four years, but only when Parliament passed a Bill of Relief of Insolvent Debtors. The next year, 1714, William Hogarth was apprenticed to a silver engraver; he learned copper engraving as well, and set up shop at the age of 23. Fired with greater ambitions, however, he joined an artists' academy and began to teach himself to paint.

From the beginning, because of his humble origins, he showed a preference for painting street scenes, rather than learning by copying the works of the great masters as was the custom. He loudly advocated and would continue to advocate the founding of an English school of painting, one that would put aside the influence of the classicists and paint from nature what was there to be seen.

This put him in opposition to James Thornhill, a successful English classicist who had trained abroad. It created a rather awkward situation when he sued for the hand of Thornhill's daughter, Jane; he won her but not her father's blessing. They married, and it was not until after some years of happy marriage that Jane Hogarth was able to bring her father and his son-in-law together — and that was accomplished in no small part by winning Thornhill's respect for Hogarth's painting.

Because he had started as an engraver, Hogarth saw the good sense of turning his paintings into engravings that could be sold cheaply for shillings. He had done a series of engraved illustrations for Samuel Butler's "Hudibras," and in 1730 he looked for a story that might be told simply in pictures. He found it in that most familiar 18th-century figure, the whore. In a series of six pictures he traced the rise and fall of one Moll Hackabout, from her arrival in London to her death from venereal disease not long afterward. The set of engravings was titled "The Harlot's Progress" and was available for a guinea. The spicy nature of its subject matter assured a quick sale, though Hogarth was content that he had told a moral tale with his pictures.

Over the years he turned out a number of these storytelling series, "The Rake's Progress," "Marriage a la Mode" and "Industry and Idleness" among them. Each told a moral tale and each made him a small fortune.

BUT Hogarth, as champion of the English school of painting, felt bound to prove he could paint as well as any of the classicists. He solicited portrait commissions and put it about that he could paint them as well as Van Dyck. He certainly could when he wished to do so. Samples of his portrait work, not nearly so well known as his oil-sketched impressions of London life or his etchings, support his claim. He believed profoundly that the face expressed the soul of the subject, and one has only to look at the (unfortunately small) reproductions of his work in this book to see how well he captured the essence of the men and women he painted, occasionally to their displeasure.

When not engaged in defending his work, he was often in political wrangles of one kind or another. He prospered as an artist, bought a country house, and provided well for his wife and sister, the only family he had. He was engaged in controversy with many of the famous of his age, among them Joshua Reynolds and Horace Walpole.

At the time of his death he was doing bitter battle with John Wilkes and Charles Churchill. An aneurysm took him; he had exploded in anger once too often.

There, in bare outline, is his life. If this were all that "Hogarth: A Life and a World" told us, then it would be a much shorter book. Uglow takes seriously the task of presenting the artist in the context of the society he lived in and painted. Digressing frequently, though not without purpose, she herself paints a huge canvas of the city in a time when the modern age was struggling to be born.

Bruce Cook, whose books range from a study of the Beat Generation to a detective series set in 18th-century London, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

THE diagramed deal was played in the 1993 Coupe de France. Herve Mouiel as South landed in six spades as shown after West had shown great heart length. A club lead would have been decisive, but West could not have known that and produced the heart ace.

South ruffed in dummy, and decided that East was likely to have the diamond queen and the club ace. Foreseeing a favorable ending, he immediately finessed the diamond jack. He then ruffed his remaining heart and ran six rounds of trumps to reach the ending shown at right.

On the last spade South threw a diamond from the dummy and East was caught in a stepping-stone squeeze. He gave up the club queen, and Mouiel promptly cashed the diamond king and led a club, scoring the dummy's diamond ace at the finish to make his slam.

Notice that there was a simpler road to success. After finessing the diamond jack successfully, South could have drawn one round of trumps, cashed the diamond king, and ruffed another heart. Then the diamond ace would provide his 12th trick.

NORTH
♠ 8 6 2
♡ —
◇ A 10 6 5 4 3
♣ K 8 7 2

WEST
♠ —
♡ A K Q 9 8 7 4 3 2
◇ 9 2
♣ J 5

EAST
♠ 10 9 7
♡ J 10
◇ Q 8 7
♣ A Q 10 9 3

SOUTH (D)
♠ A K Q J 5 4 3
♡ 6 5
◇ K J
♣ 6 4

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♠	5 ♡	Pass	Pass
5 ♠	Pass	6 ♠	Pass
Pass	Pass		

West led the heart ace.

NORTH
♠ —
♡ —
◇ A 10 6
♣ K

WEST
♠ —
♡ K
◇ 9
♣ J 5

EAST
♠ —
♡ —
◇ Q 8
♣ A Q

SOUTH
♠ 3
♡ —
◇ K
♣ 6 4

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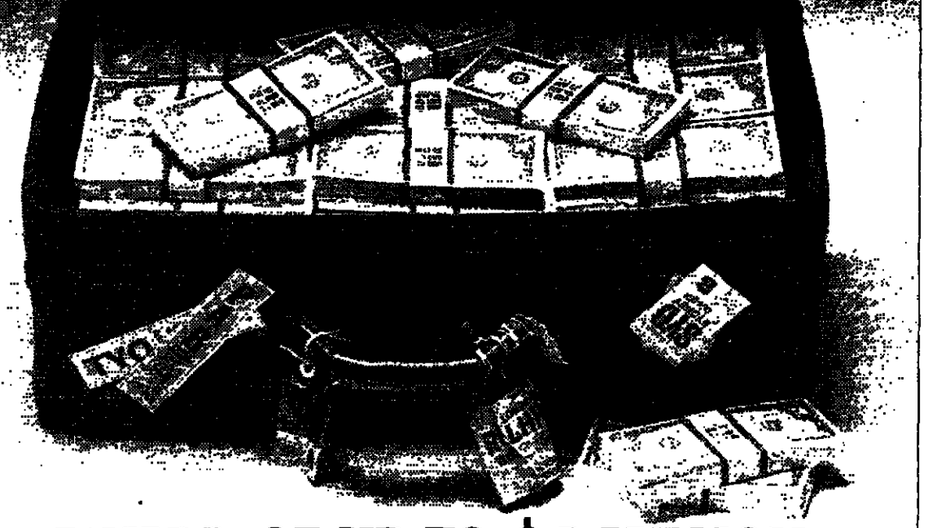

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INTERNATIONAL

Israeli Reaction to Iran's Buildup Is Heightening Nuclear Fears in Mideast

By Joseph Fitchett
International Herald Tribune

The Middle East could end up living under the threat of nuclear confrontation, U.S. officials say, unless Washington succeeds in stopping the flow into Iran of material for weapons of mass destruction. For the Clinton administration, the problem of Tehran's buildup is complicated by Israel's response to it.

Israel has started talking about its nuclear capability as a counterforce to enemy nations' advanced weapons. No longer does Israel conceive of nuclear weapons as a last resort.

Israel has adopted the phrase "nuclear capability" — still short of an outright acknowledgment of its nuclear weapons — as a deterrent, perhaps even a threat, to adversaries.

The phrase rings in a balance of terror emerging in the Middle East.

Recently Israel hinted that it might deploy its nuclear weapons in a "launch-on-warning" mode: If missiles were detected heading toward Israel, it would immediately launch its own nuclear force before the unidentified missiles landed.

Designed to convince a potential nuclear aggressor that it cannot wipe out Israel's nuclear arsenal, this doomsday strategy also maximizes the risks of accidental nuclear war.

"A bluff, at least right now," a CIA analyst said, adding that nuclear brinkmanship was a new Israeli tactic aimed at unnerving Tehran and discouraging Iranian leaders from investing in ambitious weapons programs.

But he and other officials agreed that the launch-on-warning scenario foreshadowed future insecurity in a Middle East bristling with ballistic missiles and nuclear, chemical and biological warheads.

This threat could explain why Israeli leaders, breaching longstanding official reticence, have gone public about Israel's nuclear deterrent.

The fullest statement came last summer from the head of Israeli atomic energy commission, Gideon Frank, whose views were reported by the newspaper Ha'aretz. The editors said that clearance for publishing such sensitive material had come from the prime minister's office.

Defending Israel's increasing reliance on nuclear weapons, Mr. Frank said that the country could only "give up its nuclear capability when it reaches a 'utopia' with its neighbors on the order of Argentina and Brazil."

His phrase alluded to a tense moment in Latin America in the early 1990s when Brazil and Argentina — like Iran and Iraq today — were seeking to acquire nuclear missiles as a means to regional dominance. Under U.S. pressure, the two Latin American governments were induced to abandon their nuclear arms race.

But Israeli leaders apparently are dubious about the Clinton administration's ability to impose a similar outcome in the volatile Middle East. So Israel has sharply escalated its nuclear defiance in public statements by leaders from across the political spectrum.

Last month, Ariel Sharon, minister of national infrastructure, put Iran and Iraq publicly on notice against the use of chemical weapons, warning that Israel was "ready to respond with all our might" — a phrase widely taken to mean nuclear retaliation.

Even Shimon Peres, the dovish former prime minister, recently invoked "nuclear capability" as necessary in Israel's current and foreseeable circumstances.

None of these Israeli political barons outdoes Prime Minister Benjamin Netanyahu in talking tough.

In recent months, he has become increasingly bellicose in warning Iran to halt its advanced weapons programs, frequently evoking Israel's air strike against Iraq in 1982 that destroyed a French-supplied Osiris reactor.

Without using the words, he seems to be putting forward the threat recently articulated by Defense Minister Yitzhak Mordechai: Israel will strike pre-emptively rather than let Iran develop weapons described by Mr. Netanyahu as "an existential threat" to Israel.

Meanwhile, on the diplomatic front, Israel has concentrated on getting the Clinton administration to lean hard on Moscow about Russian technical support to Iran's covert programs.

In Washington, the lobbying effort has concentrated on anti-Iranian and pro-Israeli groups in Congress, both of which feared that Israel was being left to face the Iranian threat without adequate help from a Clinton administration intent, as the two groups saw it, on coddling the Yeltsin government.

Conservatives in the United States were receptive to suggestions of Russian mischief in Iran, so by last summer strong momentum had developed in Congress for legislation imposing sanctions on Russia.

While not denying the impact of Israeli influence, a National Security Council official sought to situate these issues in the U.S. domestic context. In the international flux after the end of the Cold War, he said, "Israel's agenda — worries about Russia and Iran, proliferation and terrorism — covers exactly the security issues that are easy for conservatives to articulate and tackle and that inexperienced newcomers in Congress feel comfortable trying to follow."

The success of the lobbying effort, however, caused resentment in the Clinton administration, some of whose officials say that they fear Mr. Netanyahu may have a hidden agenda in showing the White House that Israel can damage U.S. relations with Russia through Congress.

"If Israel can hold the Russia relationship hostage, the Clinton administration may be unable to manage U.S. policy in the Middle East, including the peace process," a State Department official said.

Israeli officials reject any suggestion of interference in U.S. domestic policy, acknowledging only that they share some congressmen's concern that Iran should be stopped before its scientists gain more experience with missile and nuclear technology.

Spurred by Congress, the Clinton administration redoubled its efforts in recent months to thwart Tehran — and protect U.S. relations with Moscow — through a diplomatic initiative seeking cooperation from Moscow and from Beijing, the other critical source of outside help for Iranian weapons development.

With success starting to crown the U.S. drive, an account of the international maneuvering emerged in recent interviews with policymakers in the National Security Council, the State Department and the Central Intelligence Agency, all of whom spoke on condition of anonymity.

Both Russia and China have promised the Clinton administration that they will prohibit the sale of dangerous technologies for Iranian arms programs.

But many in Congress, along with some outside experts, remain suspicious of Russia and China and skeptical about the results of their promised cooperation.

Voicing cautious optimism, Clinton administration sources said that the White House and Congress were waiting for intelligence reports to test Russian and Chinese compliance — and to judge the impact on Iran.

Conceivably, a CIA officer said, the loss of outside help could prompt Iran's leadership to shelve its missile development. That would be a clear signal — "easier to track than a promise to end terrorism," he said — if the United States wanted a reason for opening a dialogue with Iran.

Thus far, Washington has not revised its view of the Iranian threat. Nor has Israel, these U.S. sources said. In messages regularly sent through other countries' diplomats, Israel has warned Iran of pre-emptive military action, usually, with a deadline of late 1998.

Mr. Netanyahu never loses an opportunity to remind audiences that Israel's unilateral operation against the Iraqi reactor in 1982 caused consternation internationally, only to be vindicated when foreign capitals credited the raid with helping prevent President Saddam Hussein from getting nuclear weapons ahead of the Gulf War.

Stepping up its psychological war on Tehran, Israel frequently circulates rumors of imminent air strikes on Iranian weapons facilities, apparently in hope of discouraging foreign scientists from working on weapons programs in Iran and thereby rising their lives.

Such threats are disinformation at this point, U.S. specialists said, but they will gain credibility as Israeli military preparations progress. This month the country took delivery of F-15I warplanes, an advanced version of the main U.S. strike aircraft against Iraq in the Gulf War.

Paying $2.5 billion for 25 of these planes, Israel was able to get its model specially redesigned — "with Iran in mind," an official said in Tel Aviv — so that these F-15s have the range and payload to operate against targets more than 1,600 kilometers (1,000 miles) east of Israel in Iran, nearly twice as far away as the destroyed reactor in Iraq.

In practice, an attack on Iran would be too big a challenge for Israel to handle alone, even with U.S. intelligence and logistical help, according to U.S. officials. They said that the United States would be under pressure to get directly involved, probably guaranteeing political support and air cover.

Turkey, too, could be drawn in. Turkish airbases are only 500 kilometers from Tehran, comfortably within range for the new F-15s with full bomb-loads.

Last week, during the first official visit to Turkey by an Israeli defense minister, Mr. Mordechai said in a speech in Ankara that the Islamic fundamentalist government in Tehran could not be allowed to obtain long-range weaponry.

The Turkish armed forces, wedded to their secular tradition and mistrustful of their country's Islamic parties, have become increasingly open about their fears of the ayatollahs in Tehran and their eagerness for tighter military ties with Israel.

Clinton to See Netanyahu and Arafat Separately

By Steven Erlanger
New York Times Service

LONDON — The U.S. secretary of state, Madeleine Albright, after another round of meetings with the Israeli and Palestinian leaders that made only incremental progress, said Thursday that President Bill Clinton would meet them separately next month in Washington to try to break the impasse.

"The president and I care deeply about the cause of the Middle East peace process and are making every effort to overcome the existing crisis of confidence and restore hope and momentum to the pursuit of peace," Mrs. Albright said at a news conference here.

"What I am doing, and what the president is doing, is to keep up the sense of urgency, because this is the time that something needs to be done," she said. "1997 was not a good year for the peace process, and we want '98 to be a good year."

The prospect of a meeting with Mr. Clinton should put added pressure on Prime Minister Benjamin Netanyahu of Israel and the Palestinian leader, Yasser Arafat, to make the difficult political decisions required to revive the peace effort after nearly 11 months of stagnation, U.S. officials said. Mr. Clinton declined to meet with Mr. Netanyahu when he was in the United States last month, which he took as a snub.

"Our working assumption is that Netanyahu and Arafat would not come to a meeting with the president without having thought long and hard about what additional steps they could take," a senior U.S. official said.

Mrs. Albright met in Paris on Thursday morning with Mr. Netanyahu and in London on Thursday afternoon with Mr. Arafat, for about two and a half hours with each. She said the talks were "substantive and intensive and focused," but "these are complicated issues, and gaps remain between the Israelis and Palestinians."

She has been pushing the Israelis to make a "significant and credible" withdrawal from the occupied West Bank, while she has been pressing the Palestinians to improve their fight against terrorism.

Mr. Netanyahu's cabinet has been struggling, in full view of the Israeli public, with the terms of such a withdrawal, while the Palestinians are being urged to complete a written document of measurable goals and actions designed to destroy the military infrastructure of radical Palestinian groups like Hamas.

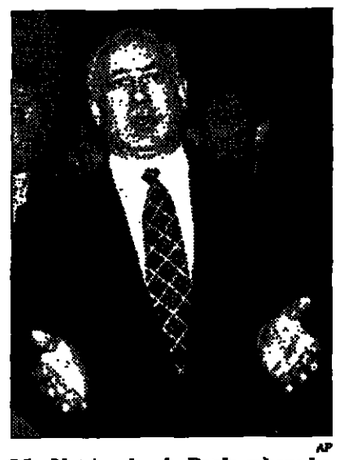
Israeli officials say the depth of a West Bank withdrawal in part depends on their level of confidence in the Palestinian commitment to fight terrorism aimed at Israel. But the withdrawal also depends on a larger Israeli cabinet agreement about the country's strategic "bottom line" — what Israel thinks it must retain for its own security in any final agreement with the Palestinians.

The United States is hoping to induce both parties into accelerated talks on a final settlement, but that will not be possible without an agreement first on an Israeli withdrawal large enough to convince both Washington and Mr. Arafat that Mr. Netanyahu is serious about wanting a definitive peace.

The Israeli newspaper Ma'ariv reported that the security document Washington wants from Mr. Arafat was completed Wednesday night after long talks among the Israelis, the Palestinians and the Americans. But Mr. Netanyahu, speaking in Luxembourg after meeting with Mrs. Albright, denied the report.

"We have a general set of principles," Mr. Netanyahu said, adding that work was continuing on a detailed plan. Israeli officials said the sides were still at odds over what Mr. Netanyahu has called the "revolving door," a reference to the Palestinian Authority's tendency to arrest militants from Hamas or Islamic Jihad and then release them.

U.S. officials said Thursday that Mrs. Albright, who met both Middle East leaders on Dec. 5 and 6, has been making progress.



AP

Mr. Netanyahu, in Paris, where he met Thursday with Mrs. Albright.

U.S. officials had hoped they could get Mr. Netanyahu and Mr. Arafat together in Washington in January to announce an agreement, but Mrs. Albright said, "We are taking this one step at a time."

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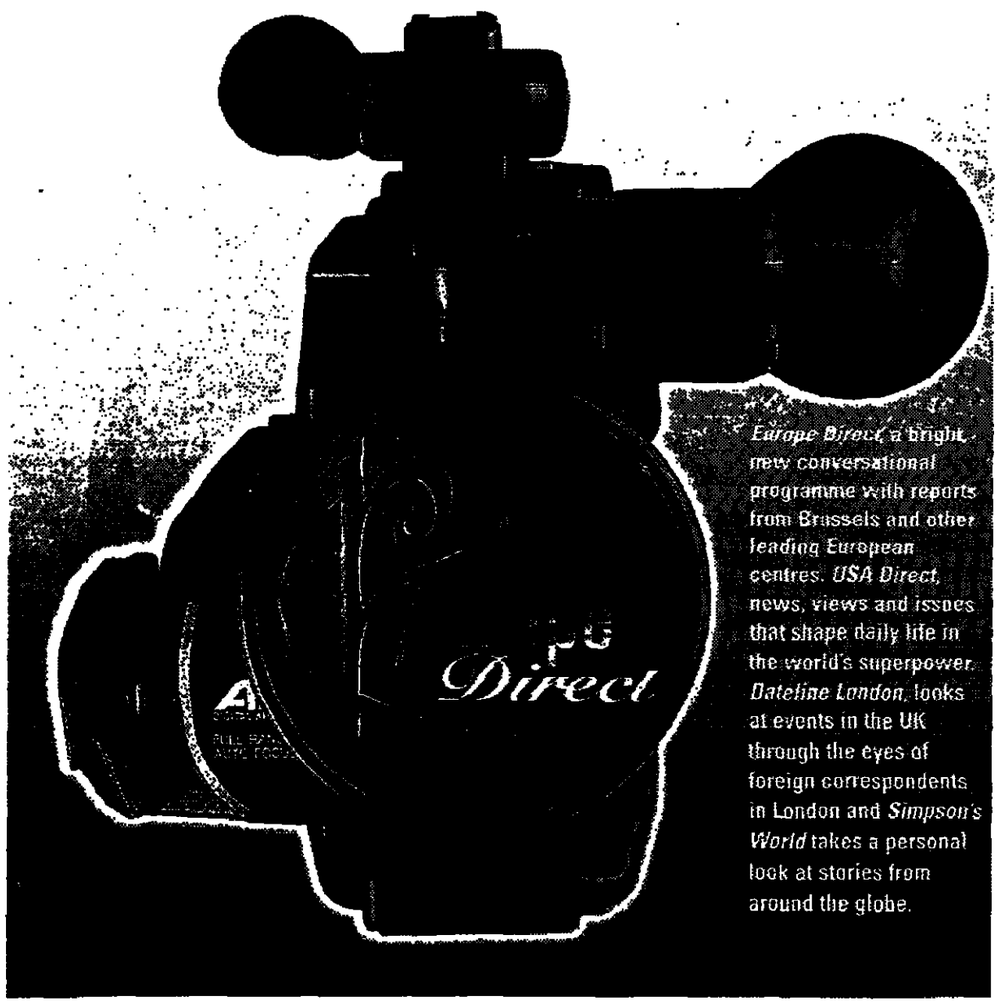

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U.S. Criticizes Iraqi 'Retrenchment'

But It Will Help Seek Diplomatic Solution at UN to Arms Stalemate

Compiled by Our Staff From Dispatches

UNITED NATIONS, New York — Bill Richardson, the chief U.S. delegate to the United Nations, said Thursday that the United States would seek diplomatic solutions in the Security Council to resolve the continuing stalemate over weapons inspections in Iraq.

Speaking after a briefing by the chief UN arms inspector, Richard Butler, Mr. Richardson said that Iraq had "retrenched" on its obligations for UN access by barring inspectors from key presidential sites.

He called the Butler briefing "disappointing."

"We have taken some steps backward, some retrenchments on the issue of disclosure of weapons," Mr. Richardson said. "We want to solve this issue diplomatically through the Security Council."

Mr. Butler completed a four-day mission to Baghdad on Tuesday. During his visit, Deputy Prime Minister Tariq Aziz told him that presidential sites would remain closed to UN weapons inspectors, saying that it was Iraq's sovereign right to protect these areas, which are private residences of President Saddam Hussein.

Saying that Iraq's stance was not acceptable, Mr. Richardson added: "We now have Iraq officially stating that some sites are off-limits, and that is their stated policy."

"We are very concerned about these developments."

He said that the United States would be working with other Security Council members to draft a response in accordance with Mr. Butler's report.

According to the Butler report to the Security Council on Thursday, Iraq says it has not "one gram" of biological agents or other weapons of mass destruction and will offer no new information on them.

But Mr. Butler said that Iraqi officials had told him that they would answer questions on arms problems, although they declined to set out a disarmament program.

Iraq's delegate to the UN, Nizar Hamdoon, called the report inaccurate and said that Mr. Butler had not reflected Iraq's willingness to cooperate.

The British chief delegate, Sir John Weston, said the report made it difficult to see "light at the end of the tunnel" in Iraqi disarmament.

But the Russian delegate, Sergei Lavrov, said he saw positive signs that there was no evidence Iraq resumed manufacturing illegal weapons during the days last month when all inspectors were withdrawn from the country.

The council appeared no more prepared Thursday to authorize serious action against Iraq than it was last month, when the situation was even more tense. France, Russia and China refused then to threaten Baghdad with military force or tighter sanctions.

In Washington, Samuel Berger, the national security adviser, said the first step would be a "very clear statement from the Security Council that access means access, and we will take it from there, one step at a time in a steady way." *(Reuters, AP)*

■ Access to Be Reduced

R. Jeffrey Smith of The Washington Post reported earlier from Washington:

Iraqi officials have spelled out conditions for UN inspections of suspected weapons sites that would in effect grant experts even less access than in the past, UN officials said.

According to a letter sent by Mr. Butler to members of the Security Council, Iraq's new rules would deny any UN access to the headquarters of its ministries or to any site where President Saddam "resides and/or works."

The United Nations has routinely been blocked from inspecting "presidential sites" in the past and gained access to the headquarters of the Ministry of Irrigation on one occasion after a delay of 40 hours, according to a UN official. But Iraq has not previously tried to promulgate a rule that such headquarters buildings can never be inspected under any circumstances.

Mr. Butler said that Iraqi officials refused to delineate any of these off-limits sites in advance, on grounds that doing so would help the Pentagon prepare a list of potential targets for bombing raids.

The Iraqis said only that the sites were marked by "gates and high walls" and are well known to local diplomats, Mr. Butler said.

Two other categories of sites — those owned by private citizens or by foreign companies or governments — can be inspected only if the owners agree, Mr. Butler wrote that he was told by Mr. Aziz. In the past, UN officials have generally been allowed to inspect sites that are allegedly privately owned or leased by foreign companies after much "huffing and puffing," a UN official said.

In addition, Mr. Butler said that Mr. Aziz told him that any site related to Iraq's Republican Guard military forces and security or intelligence agencies could be inspected only under special procedures agreed to by the government and that certain "secret rooms" would be excluded from inspection.

BRIEFLY

Jamaica Calm as Voting Starts

KINGSTON, Jamaica — Jamaica's 1.2 million voters began casting ballots in general elections on Thursday morning, but the late arrival of ballots and electoral officials delayed voting in a number of areas.

The election is expected to return Prime Minister P.J. Patterson's People's National Party to power for an unprecedented third consecutive term.

Police reported no major disturbances so far apart from some random shooting in central Kingston. Previous elections on the Caribbean island have been marked by heavy bloodshed.

One problem area early Thursday was August Town, where election observers from the Atlanta-based Carter Center, including former President Jimmy Carter and his wife, Rosalynn, were waiting to monitor the voting. *(Reuters)*

Tajik Crash Victims Returned

DUSHANBE, Tajikistan — The bodies of 85 people who died in Monday's crash of a Tajik airliner in the United Arab Emirates were brought to the Tajik town of Khudzhand for burial on Thursday, a Tajik aviation official said.

A flight attendant was the only survivor of the crash of the Tupolev-154 airliner carrying 86 passengers and crew members from the town of Khudzhand in northern Tajikistan to Sharjah, one of seven emirates within the UAE.

"It was a commercial charter flight carrying mostly 'shuttlers,' who make a living by selling cheaper goods brought from the Gulf," a Tajik Air official here said. *(Reuters)*

Sithole Gets 2 Years for Plot

HARARE, Zimbabwe — The veteran opposition leader Ndabaningi Sithole was sentenced to two years in jail on Thursday for plotting to kill President Robert Mugabe in 1995.

But Mr. Sithole, 77, was immediately set free on bail pending a Supreme Court appeal after his lawyers argued he was too old and sickly to go to prison.

The high court also gave Mr. Sithole a suspended five-year term on two other counts of possessing arms of war and of promoting terrorism. *(Reuters)*

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Forward on Trade

With Asia in economic distress and the United States of two minds about trade, the chances of backsliding toward world protectionism cannot be discounted. Turning inward helped make a bad situation worse in the 1930s, plunging the world into depression. So it is doubly encouraging that most of the world's nations still seem to understand that their future prosperity depends on openness and integration.

That was the message last week when 102 countries approved a treaty to liberalize trade and investment in financial services. Years in the negotiating, the treaty applies to banking, insurance, securities and financial data companies. In these sectors the U.S. economy already is wide open, and U.S. companies lead the world, but other nations have long sought to exclude U.S. firms. Now nations representing 95 percent of the world market have pledged to liberalize — not all at once, not all equally, but most to a substantial degree.

This is good for U.S. firms, obviously, but also for the countries that will open their markets. Poor countries need investment capital to grow, and even countries with high savings rates often lack, as we have seen recently in Asia, the financial institutions to channel those savings most efficiently. Opening their markets to competition will give them such institutions while giving confidence to foreign investors.

Not that all these nations welcomed liberalization; far from it. Trade Representative Charlene Barshefsky and other U.S. officials pressed for years to reach this point, including walking away from an inadequate deal two years ago and being severely criticized for so doing. The current financial crisis in Asia helped produce an agreement, as nations realized that they could not afford to look indifferent to international capital.

Was there an element of bullying, of pressuring these nations when they were most vulnerable? Unquestionably. But to the extent that anyone is hurt by this market-opening, it is the crony capitalists who got rich behind trade barriers while depriving their countrymen of the full measure of economic growth that their labor and savings entitled them to. And the philosophy of this agreement in no way prevents any nation from regulating its markets as strictly and prudently as it wants; governments simply have to apply the same rules to local firms as to foreign ones.

This agreement on financial services completes a "triple play" of trade deals within the past year on the economic infrastructure of the 21st century: information technology, telecommunications and now financial services. Does this mean that anxieties about economic globalization, as expressed so recently in President Bill Clinton's failure to win fast-track trade negotiating authority from Congress, have evaporated? Hardly. This particular agreement requires no changes in U.S. laws and no congressional approval, but in other areas the battles certainly will continue.

In America and abroad, there is legitimate concern about loss of control over traditionally national issues, about those who lose out as trade expands and about other trade-related problems. Policymakers will have to come to terms with those concerns. But such problems pale next to what might result from putting up barriers and reversing the momentum toward open trade. The financial services deal reflects an abiding understanding of that truth.

— THE WASHINGTON POST.

Make Common Cause Against the Microbe Hordes

By Joshua Lederberg

NEW YORK — A new strain of viral flu that has been mysteriously transmitted from chickens to humans was reported recently in southern China. Last month, a new strain of tuberculosis, resistant to the usual antibiotics, was discovered in Africa. A couple of years back, the Ebola virus spread up the Congo River and as far as Europe before it was contained.

Once such outbreaks might have been considered local threats. Today, with millions of people crossing borders and with packed jumbo jets traversing the globe in hours, the microbe hordes are on the march.

As this century of vast medical advances closes, a major new global security challenge looms: defense against migrating microbes that have evolved to resist the very treatments that protected us in the past.

The first half of the 20th century was marked by extraordinary progress in medicine. In the United States, the average life span rose from 47 years in 1900 to 68 in 1950. (It has now reached 76.) Most of the early rise in life span

Vaccines and antibiotics fostered a sense that the human race had conquered the microbes.

was credited to the abatement of infectious disease, such as the great influenza pandemic of 1918, which claimed 20 million lives worldwide.

Rapid scientific progress followed the great discoveries of Louis Pasteur and Robert Koch, legendary microbe hunters of the 19th century. Their insights into germs as the agents of disease opened the door to the development of vaccines and antibiotics.

Equally important was the introduction of hygiene — clean hands; properly washed, refrigerated and cooked food; pasteurized milk; protected water supplies; general improvements in housing and nutrition.

And then in the mid-1950s, new polio vaccines and antibiotic wonder drugs fostered a triumphant sense that the human race had conquered the microbes.

Medical science next turned to the challenges of degenerative diseases, both those intrinsic to the human body and those aggravated by chemical pollution. Heart disease and cancer topped the list of mortal ills; lifestyle, rather than sanitation, became a greater preoccupation. Physical fitness meant exercise, rather than soap and water.

By 1980, the World Health Organization announced the global eradication of smallpox. This was certainly a historic high point in international collaboration for a humanitarian objective, and it would save billions in the future expense of prophylactic vaccination.

But at the same time, we were at the brink of identifying a peculiar new form of immunodeficiency disease that appeared to cluster in groups of homosexual men. HIV and AIDS had burst on the scene.

It took some time before HIV was recognized as a new form of infection. The happenstance that other retroviruses had long been studied as laboratory curiosities, inducing sarcoma cancers in fowl, accelerated the recognition of HIV as a new retrovirus.

Since 1981, HIV has established itself in every corner of the world, and the end is hardly in sight for the devastation it has wreaked. Vaccines are a distant vision; the innovative protease inhibitor drugs offer a welcome respite, but not a permanent cure. Resistant strains of HIV are already emerging.

While this race against AIDS proceeds, other strains of HIV are being identified in Southeast Asia that seem more susceptible to heterosexual transmission and thus more likely to break out of the established high-risk groups.

Despite the anguish and notoriety associated with HIV, it is hardly the worst killer. Pride of place goes to tuberculosis and mosquito-borne malaria. We are accustomed to think that these are relics of Third World poverty, but drug resistance is becoming a major problem in the management of these diseases.

Aircraft cabins have already been designated hazardous vessels for the transmission of tuberculosis, and we hardly dare examine the air of crowded public places, such as subways and train terminals. I am not aware that these are ever monitored; and encounters are not likely to be remembered.

The past two decades have seen the discovery of more than a score of previously unknown infectious diseases. It would take a textbook to enumerate them, but they include some memorable scares of the recent past: from

Microbes have genic flexibility that staggers the imagination.

Ebola, hanta and hepatitis C and E viruses to staphylococcal "toxic shock" and legionella, or Legionnaires' disease bacteria and protozoa. Most of these are probably old neighbors. What is new is our recognition of their prevalence, often because of fierce outbreaks.

In addition, we face antibiotic-resistant strains of any number of pathogens. The ones of greatest consequence today are probably multiple-drug-resistant pneumonia, staphylococci, tuberculosis and malaria.

Finally, we have resurgence of old familiars like dengue, meningitis, yellow fever, plague, cholera and diphtheria, with outbreaks in various parts of the world mostly associated with breakdown of public health precautions.

What is going on? What does it portend? What is to be done? Microbes have proved to be moving targets, incessant in their genetic evolution, adept at finding niches in our own armor.

Their genetic plasticity is awesome, mainly because of the immensity of their cell populations. A single afflicted victim may harbor billions, if not trillions, of infectious particles, all subject to Darwinian selection for the most adept genetic variants. They possess mechanisms of genic flexibility and cross-breeding that stagger the imagination. Their generation time is measured in minutes.

It has been ever thus. We should recall that most animal species undergo periodic population fluctuations owing to disease that may well wipe out a quarter of their cohort. We have suffered this ourselves in ancient history but have lately been accustomed to a sense of invulnerability.

That sense is being shattered by new realities. While our technology offers many wonderful remedies and promises many more, it has also given us the jet airplane, stratified economic affluence and a burgeoning world population, all eagerly welcomed by the microbes as providing major hosts to feed on.

The simple key to our security is the recognition that the human species has an indivisible common cause in defense against the microbial hordes. If we will but apply our technology worldwide to surveillance, immunization, the prudent use and dissemination of new antibiotics and the promotion of health-saving behavior, our wits can go a long way to matching the machinations of microbes' constantly evolving genes.

The writer, a Nobel laureate in 1958 at age 33 for pioneering work on the genetic mutation of bacteria, is a former president of Rockefeller University in New York. He contributed this comment to Global Viewpoint (Los Angeles Times Syndicate).

Turkey in Distress

Changes to Make

Turkey is a large, important nation on the hinge, geographically and culturally, between Europe and Asia. Now it threatens to come undone on its European side, marooning secular Westernizing modernizers and inviting a grave imbalance on the Asian-Islamic side. This is bad news, and not only for the Turks, who urgently need to rescue their policy before it spins entirely out of control.

The immediate trigger is the European Union's flat rejection of Turkish membership. An emotional Prime Minister Mesut Yilmaz explains it as an expression of Christian Europe's racism directed at Muslim Turkey. Some in Europe do question how European the Turks can ever be. Still, for years the EU has made clear what the Turks would have to do on human rights, the Kurdish minority tragedy, Aegean issues bearing on Greece, and Cyprus. Turkey lagged and in the pinch simply warned that its exclusion would endanger the EU. Predictably, the EU barred the door.

In the heat of the moment, the Turks now declare that they will turn their back on Europe and firm up ties with alternative partners in the United States, Russia, Israel and the Turkic states of the Caucasus and Central Asia. Of this list, Israel is perhaps the most available, but, as Turkey should know from Islamic criticism of its existing Israeli tie, only at a price.

The other imagined connections also come with high prices. Is Turkey to quit NATO for a bilateral American security commitment? A joke. To dispense with its 60 percent reliance on the European market? Hardly. Russia has its own historic designs.

The United States has always counted on Europe to carry the external burden of Westernizing Turkey. The internal burden is, of course, Turkey's. The xenophobia now bubbling in the country can take it to no good end.

EU membership was the prize the United States had in mind for a Turkish relaxation on Cyprus. Now that prospect is dead, at least until the Turks can run through their rage and put themselves back into a realistic mood with a serious government.

None of the requirements on Turkish maturity is easy. But none is beyond reach, either. Even then, Ankara will need abundant and responsible encouragement from the Europeans, not least from its regional rival Greece and its impatient patron Germany, and from the United States. In the end, Turkey must be part of Europe.

— THE WASHINGTON POST.

Europe Is Wrong

The European Union erred this week by rebuffing Turkey's long-standing membership application for poorly disguised reasons of ethnic and religious prejudice. Turks are right to be angered by a decision that had as much to do with historic Greek antipathy, German objections to Turkish immigrants and a parochial vision of Europe as it did with Turkey's real but solvable human rights problems.

Ankara's response has been to shift its hopes and attention to Washington. President Bill Clinton should welcome the initiative during a meeting this Friday with Mesut Yilmaz, the Turkish prime minister. But Mr. Clinton must remind Mr. Yilmaz that being part of the West requires honoring Western values. In Turkey's case that means curbing the military's role in politics, respecting the rights of the Kurdish minority and ending the imprisonment of parliamentarians, journalists, artists and ordinary citizens for free speech and political advocacy.

Turkey is a troubled but vigorous Muslim society committed to the West, and a proven American ally in a tense region. For years it helped defend NATO's front line with the Soviet Union. More recently it has served as an indispensable ally against Iraq, and has expanded its military cooperation with Israel. For those reasons, Turkey warrants American gratitude and support.

But Turkey also has serious problems. Its brutal military campaign against an armed Kurdish separatist movement and the harsh punishment imposed on those who publicly criticize that campaign are at the heart of Turkey's human rights problems. The United States should use its close ties with Turkish military leaders to seek modification of the methods used in the Kurdish war. Turkish democracy also suffers from corruption among its secular parties, radical fundamentalist strains within the Islamic-oriented Welfare Party and a pattern of military dictation to elected leaders. Pending court action to ban the Welfare Party would weaken democracy further.

America should do what it can to help Turkey build a better relationship with Europe and secure its future with the West. But those worthy goals can be achieved only if Turkish leaders look more critically at their own problems.

— THE NEW YORK TIMES.

In Fact, East Asia Is Diverse, Resilient and Unstoppable

By Tommy Koh

SINGAPORE — The economic crisis in East Asia started in Thailand in July. Since then, it has spread to Indonesia, Malaysia and South Korea. In the past five months there has been a torrent of reports, analyses and commentaries by Western journalists and scholars. Some were extremely good. The majority, however, have tended to perpetuate certain stereotypes and myths about the region.

First, East Asia is often referred to as a monolith. The impression given is that the whole region is in a state of crisis. The fact that the economies of Hong Kong, Singapore, Taiwan, China and the Philippines have not been blown over by the typhoon is overlooked. The image frequently projected is that of a row of fallen dominoes.

Second, the reports seem to imply that this is the first economic crisis that the "tiger" economies of Southeast Asia have confronted. In fact, a similar crisis occurred in 1984-1985. The Southeast Asian economies responded by putting their financial houses in order, improving their competitiveness and accelerating liberalization. Within two years, they recovered.

Third, the economic crisis is often described as an Asian virus. The ailment is in fact not uniquely Asian at all. It has affected economies at different times in all regions of the world, including the United States.

I lived in America during the 1980s when it faced a similar situation resulting from the collapse of the savings and loan industry and an oversupply of real estate.

Fourth, some columnists have attributed the crisis to the absence of democracy in East Asia. The argument seems to be that if the region had more democracy, the crisis would not have happened. There is in fact no empirical evidence to support such a proposition.

After all, Thailand, Malaysia and South Korea are democracies. In recent years, several Western democracies, including Britain, have experienced similar problems, which resulted in devaluation of their currencies. The truth is that there is no correlation between democracy and good financial management.

Fifth, another often repeated point is that the problems in East Asia show that the concept of Asian values is without merit. The bashers of Asian values seem to forget that Singapore, one of the champions of such values, has suffered less than most of its neighbors. If the crisis were due to the pernicious influence of Asian values, Singapore's economy should have been the first to collapse.

Sixth, it is said that East Asia should have heeded the early warnings of such venerable institutions as the International Monetary Fund. The facts are quite the opposite. In its 1997 annual report the IMF welcomed Korea's "continued impressive macroeconomic performance" and praised the authorities "for their enviable fiscal record."

In the same report, the IMF strongly praised Thailand's "remarkable economic performance and the authorities' consistent record of sound macroeconomic policies."

The truth is that the crisis caught everyone, including the IMF, by surprise. No one expected the ferocity of the market's reaction to Thailand's problems or the severity of the consequent contagion effect on other economies which are healthier than Thailand's.

Seventh, East Asia's troubles are said to spell the end of the region's economic miracle. I do not underestimate the enormity of the challenges faced by some of the economies. They need to pursue sound macroeconomic and fiscal policies, clean up their banking systems, introduce greater transparency, eliminate cronyism, and improve their competitiveness. But most East Asian economies have strong fundamentals.

Their budgets are in surplus. They have high rates of saving and investment. Education and training are emphasized. Inflation is low. The work ethic is strong. According to the 1998 Index of Economic Freedom, Hong Kong and Singapore are the two most open economies in the world.

I have no doubt that after a period of adjustment, which may take two to three years, East Asia will bounce back, stronger, more disciplined, more transparent and more competitive. The rise of East Asia in the world economy has suffered a temporary setback but is unstoppable.

The writer, a former Singapore ambassador to the United States, is executive director of the Asia-Europe Foundation in Singapore. He contributed this comment to the International Herald Tribune.

Long-Term Strengths, but Sweat and Worries for Now

By Douglas H. Paal and David G. Brown

WASHINGTON — Making tough decisions is never easy for democratic governments, particularly when past successful policies have created strong vested interests. However, the unavoidable need for action seems finally to be taking hold in East Asia.

In Japan on Wednesday, Prime Minister Ryutaro Hashimoto bowed to reality and accepted the need to stimulate the economy.

In South Korea, the continuing collapse of the won persuaded the three presidential candidates to agree formally last weekend to support an IMF loans-for-reform program. The government announced that five more merchant banks would be suspended, one major commercial bank sold to overseas interests, the currency allowed to float, the domestic interest ceiling raised, and rules for mergers and acquisitions eased.

Four months after its IMF package was announced, Thailand bit the bullet recently and closed 56 finance companies so that it would get the next installment of its IMF loan.

In Indonesia, the central bank governor, Sudradjad Djiwandono, acknowledged that the financial sector's problems were worse than expected and said the government would push ahead with reform and further consolidation in the financial sector.

Malaysia announced a tough austerity plan last week. It tightened credit, cut government spending and lowered growth targets. That amounts to an IMF program without the IMF.

Another indication of realism was the joint statement from an informal summit of the Association of South East Asian Nations in Kuala Lumpur this week. The ASEAN leaders did not blame outside forces or trumpet Asian values or models.

They made the necessary statements about the importance of sound economic fundamentals, financial transparency, multilateral cooperation and support for the IMF, and they appealed for greater help from the international community.

Malaysia's Prime Minister Mahathir bin Mohamad said he had learned to hold his tongue, the financial crisis could not just be blamed on speculators and ASEAN needed to get its own house in order.

This good news does not mean that East Asia is out of the woods. Far from it.

The poor health of Indonesia's President Suharto, made evident by his failure to attend the ASEAN summit, sent the rupiah and the Jakarta stock market into a further fall. Concern about the political succession in Jakarta will be a source of uncertainty in the run-up to a presidential election in March.

Now that the rupiah has fallen so much in value against the dollar, virtually every major Indonesian company is insolvent because of extensive foreign currency borrowings.

Succession concerns also bedevil the Philippines. No sooner had President Fidel Ramos anointed House Speaker José de Venecia as his party's candidate for the presidency in 1998 than former Defense Minister Renato de Villa quit the party to run separately. All this divides the governing party's base and leaves Vice President Joseph Estrada, a populist whose commitment to economic reforms is in question, still in the lead in early polls.

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The outcome of South Korea's presidential election could provide a new jolt to the market, particularly if the winner does not immediately marshal a nationwide display of government, corporate and labor resolve to reassure markets of Korean commitment to implement the IMF package.

South Korea will face another test next week when the National Assembly meets to reconsider long-delayed financial reform bills, whose passage is a condition for receiving the next installment of IMF aid.

Korean legislators are still seriously considering revising the financial reform that makes bank account holders use their own names, not those of nominees. If the reform is gutted, this would be a step away from transparency and send another negative signal to markets.

So South Korea may be headed for another beating in the marketplace, and possible default, in the absence of an early show of determination to fix the system.

While markets have played the central role in the unfolding financial turmoil in East Asia, governments have not been the powerless bystanders that some feared. To be sure, the crisis has elicited more than the usual number of ill-considered and counterproductive statements. Xenophobic comments raised the specter of narrow, protectionist responses.

But despite divergent views and conflicting interests, most governments, working collectively and through multilateral institutions, have acted responsibly. Their actions have gone well beyond the three IMF rescue packages for Thailand, Indonesia and South Korea.

Markets have responded positively in the short term to the steps taken in Tokyo, Seoul and Kuala Lumpur. However, it is too early to say that the corner has been turned toward recovery. Some of Seoul's remedies smack of election eve tactics. A long process of pain, recovery and uncertainties lies ahead.

Still, currencies have been driven to levels where they appear undervalued. With barriers coming down as a result of domestic reform or IMF fiat, big new investment opportunities are opening. Some companies are moving to take advantage of these possibilities, but are looking first for the beginning of a restoration of confidence in the banking community.

In the long run, many economic fundamentals remain strong. These include generally conservative fiscal policies, openness to foreign investment, declining tariffs and trade barriers, well educated and hard working populations, high domestic savings rates, and strong entrepreneurial skills. These long-term strengths remain valid and should not be obscured by the financial problems that the region is experiencing and will in time overcome.

Meanwhile, however, the political costs of the economic adjustments have yet to be felt. The aftershocks of scheduled elections and parliamentary debates could be severe, affecting both the regional and the global economy.

Mr. Paal is president and Mr. Brown senior associate at the Asia Pacific Policy Center. Both are former senior U.S. officials who specialized in Asian affairs. They contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Fogbound Paris

PARIS — During nearly the whole of yesterday [Dec. 18] one half of Paris was wrapped in a dense fog. The fog was the thickest which Parisians have experienced for many years — so thick that at night the police had to be provided with torches at those parts of the city where the traffic was likely to be most crowded. In addition to the omnibuses which skirt the Seine being practically stopped, the river boat service was impossible during the whole day.

1922: 'Class War'

MOSCOW — The murder of the Polish President is regarded here as a symptom. The "Pravda" says: "Beaten at the polls, the bourgeois are resorting to violence and civil war, beating Socialist Deputies and wrecking Labor newspapers. Now comes a class war, and it is absolutely necessary that the proletariat arm against the bourgeois onslaught. Capitalist reaction will arouse revolutionary activity among the workers, whose worst experiences are still in front of them, but who will conquer, like the Russians, whose troubles are past."

1947: American Gifts

PARIS — President Vincent Auriol thanked the people of the United States for their donations to the Friendship Train at a reception at the Presidentinl residence. President Auriol said: "The gifts you have brought us will relieve much misery and will bring joy to the simplest homes." Almost 4,000 tons of food arrived at Havre, aboard the United States Lines' American Leader, rechristened the Friend Ship. The first "Train de l'Amitié" will leave the port laden with American gifts for all parts of France.

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OPINION/LETTERS

Equality, Achievement And Striking a Balance

By E. J. Dionne Jr.

WASHINGTON — It is now standard fare in every conversation about affirmative action: Somebody notes that if you refer to "affirmative action" in a poll, people say they're for it. But if you refer to a program that uses "preferences" or "quotas," people say they're against it.

This is interpreted as showing how easily public opinion is manipulated. Here is an alternative view: People know exactly what they're saying. They seek a society that recognizes hard work, striving and merit. They also care about fairness and know that racism and economic disadvantage deprive many of a fair start in life.

There is no contradiction here. Many years ago, the sociologist Seymour Martin Lipset recognized that the American character was marked by two central ideas: equality and achievement. Each conditions the other. Because we Americans believe in achievement, we reject the sort of equality that levels everyone to the same set of rewards and income.

But our belief in achievement is tempered, in turn, by our belief in equality. Americans don't think that high achievers should lord it over everyone else, or that kids should be damaged just because their parents achieve less than others, or that social status should be linked to income or inherited position.

Nor do we believe that a single failure in life ought to block someone forever from having another shot at greatness. We love underdogs as well as winners.

Putting these ideas together is a central task for President Bill Clinton's race initiative — and for those who want to save some form of affirmative action.

The president got a little testy at his news conference Tuesday when he was grilled on how well the initiative was going. He should be grateful he was challenged to articulate a mandate for his race commission that has so far eluded it.

Mr. Clinton noted that the affirmative action debate as it relates to college admissions is focused on whether standardized tests, such as the SAT, should be the main determinant of who gets in and who is left out. SAT scores are taken as synonymous with "merit."

It's true that SAT scores are not a bad predictor of success in college. But, as Mr. Clinton said, they are "not a perfect predictor."

The president made the key point just in passing. He mentioned a new Texas law requiring that the top 10 percent of every high school graduating class in the state be admitted automatically to the University of Texas or some other college in the Texas system.

The law was pushed by Latino and African-American legislators after the university's affirmative action program was ruled unconstitutional.

The great strength of the "10 percent plan," as the University of Texas law professors William Forbath and Gerald Torres argue in the current issue of The Nation magazine, is that it embodies "a standard of merit even more deeply rooted than the SATs: working hard, getting good grades and doing very well what's expected of you."

It also "provides a powerful new incentive to students whose horizons have been unfairly narrowed by class: Work hard and you can go to UT."

The irony is that patterns of residential segregation mean that the plan will benefit black and Latino students without using any racial criteria at all. In many schools, every member of the top 10 percent will be black or Latino.

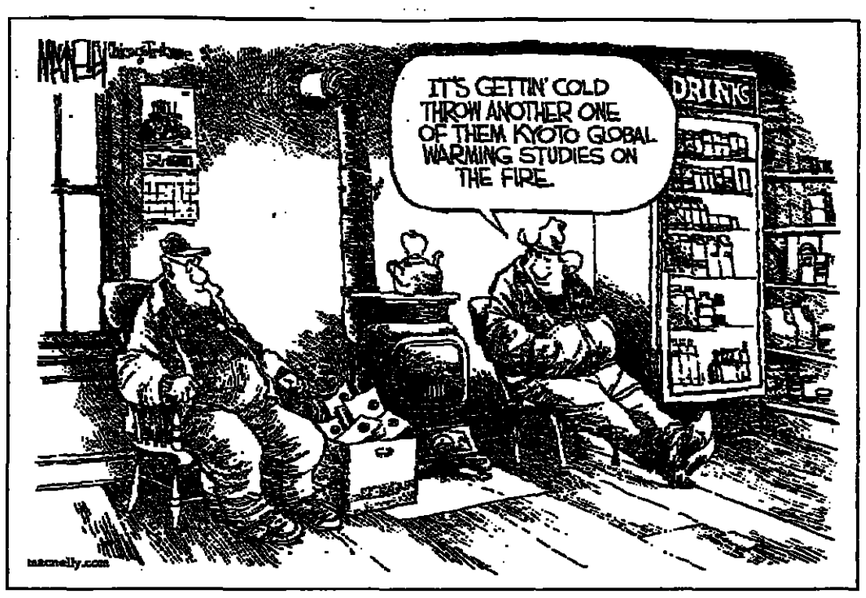
Mr. Forbath and Mr. Torres quote the historian David Montejano, who notes that "this law is colorblind, but it uses our bitter history of segregation to promote diversity."

The Texas law is not a cure-all. Being at the top of your class in a bad school does not guarantee success in college. Affirmative action at the college level is no substitute for fixing elementary and high schools.

The law could also hurt highly qualified Texas kids who happen to go to good high schools. Mr. Forbath and Mr. Torres also note this law does not address affirmative action for postgraduate education.

But the 10 percent plan is a big start in getting us to think along the right lines. As a country, we cannot give up trying to include the excluded. And we do not want to give up the values of hard work and merit. Texas is telling us that with some creative thinking we can advance on both fronts.

Washington Post Writers Group.



LETTERS TO THE EDITOR

Europe and U.S. Culture

Regarding "Cinéma Vérité in Europe: Rejecting U.S. Culture" (Opinion, Dec. 16) by Richard Pells:

Mr. Pells, in his analysis of why European young people are rejecting U.S. culture, has got it all wrong. He should consider the following:

At the heart of this rejection, and not only among European young people but among their elders as well, is a fundamental distrust of America's mercantile economy, which idolizes the creation and accumulation of wealth while redefining the value of human achievement in purely financial terms.

Communism as an economic model may be dead, but certain European social ideals remain — and a prevalent one is the primacy of human dignity over material acquisition.

Europeans also question the cultural manifestation of those American values, whether they are banal TV shows or movies that sacrifice character development for cheap thrills. Perhaps Mr. Pells should consider that such "entertainment" is not up to European standards. Europeans' acceptance of those Hollywood films that deliver genuine drama and story line cannot be questioned.

And, when European young people do purchase American entertainment, it does not necessarily mean they are buying into the American mercantile system lock, stock and barrel.

America will remain the friend that Europe loves to hate largely because U.S. social/cultural values often seem subordinate to a commercial purpose.

It is America's democratic institutions, a beacon to humanity, that are worth revering. Europe's young admire America's best characteristic — its adherence to democratic principles.

Europe is at a crossroads: While realizing that American glorification of self-serving individualism does not work, Europe is not sure that its own model of cradle-to-grave assistance will be able to carry its people into the next millennium.

There must be a path between these extremes, a third way in which individualism drives economies unfettered by state intervention and able to rise to the challenges of global commerce, but in which the benefits are also enjoyed by all.

TONY PERLA.
Grasse, France.

Mr. Pells is laboring under the usual American misconception that there is no contradiction between commerce and culture.

True, in America commerce is culture. All the cultural models — what people view, the mirrors held up to the public — are decided for commercial reasons only. This approach seldom results in works that challenge audiences, more or less works that contradict or criticize them.

But Europeans still like to think that culture is important and that there are cultural issues that count. There may be instances where there are no contradictions between culture and commerce, but the two are not the same thing. In recent years the market and market hype have deformed art in the United States, not stimulated it.

If we want to play with Marxist ideas, why not try this twist: "Mass entertainment is the opium of the people."

DON FORESTA.
Paris.

Death Penalty

If it were not so tragic it would be laughable to hear President Bill Clinton go on about promoting human rights around the world while the United States continues to execute its least-privileged citizens.

Worse, American politicians routinely run for office on a promise to support the death penalty.

It would be refreshing if American politicians started inspiring and leading, rather than following, public opinion and thereby stopped perpetuating a cycle of violence.

HELLE MOLLER.
Hellerup, Denmark.

Making Little Materialists: What Happened to Santa?

By Ellen Goodman

BOSTON — 'Tis the week before Christmas and I am wandering the exotic and bewildering aisles of Toys 'R' Us, waving my magic wand.

I wave it over the bar code of a Power Talker Voice Changing Mask. Zap! I pass it by the brow of a virtual pet. Zap! I move onward

MEANWHILE

and upward to a Star Wars Gift Set. Zap! Zap!

This thing in my hand is not strictly speaking a magic wand.

It's an electronic scanner. Nor is it strictly speaking for anyone in my age category.

What I have here is the latest, most seductive gift-gouging gadget created since children began wanting more for Christmas than their two front teeth. With this zap gun, even those too young to e-mail the North Pole can now graze through Toys 'R' Us adding every whim, fantasy and passing desire onto their personal list at the gift registry. They even get a printout to send to grandma!

Gift registries for kids? What we have here in the aisles between Anastasia's Dress Up Set and Tinkerbell's Face Paints is the latest in the long, desultory and wildly successful process of turning a child's wonder into demand, and surprise into entitlement.

O.K., O.K. I will refrain from ranting about the commercialization of Christmas. In return, allow me to rant about the way the marketplace has turned kids into short consumers and how this has affected giving and getting.

It's more than a generation since television first eliminated the middleman — the parent — and began advertising directly to kids.

Today kids see roughly 20,000 TV ads a year. They also have schoolbooks with ads, T-shirts with ads, Web sites with ads. The entire movie industry has become a product tie-in.

Kids are being targeted for TV dinners, electronics, fast-food restaurants and even family vacations. We are told by Consumer Reports magazine that children are choosing how to spend $15 billion a year.

What makes the gift registry new and appalling is that it eliminates even the pretense of parental screening.

I am not faulting Toys 'R' Us for this entire cultural scam. Many customers are not dreaming of a White Christmas; they're dreaming of an efficient Christmas. The kids' gift registry, like all the other registries from the prenatal to the bridal, is pragmatic and efficient. It eliminates risk and returns.

But it assumes that kids, like brides, know what they want and should get what they want. In that sense, it's part of the dubious economic "emancipation" of children, who are expected to be competent consumers before they are third graders.

There is a kind of uneasy role reversal going on in wish lists, electronic or not.

"We are asking them what they want us to buy them," says Ellen Wartella of the University of Texas. "We're pushing them into the position of consumers. Is this a role we want them to be in at such an early age?"

At the same time, adults are repositioning themselves. In this upside-down world, parents and grandparents, aunts and uncles don't give personal gifts; they become personal shoppers.

Somewhere deep down where the electronic scanners don't reach, the notion of kids-as-Christmas-consumers makes everybody uncomfortable. We still harbor the fantasy of presents carefully chosen and gratefully received. We believe in generosity and gratitude, not obligation and expectations.

But Christmas shopping feels more and more like the exchange of credit card debts. And with children we are often torn between a desire to please and a real unease at signs of entitlement.

In the classic Christmas story, a young husband sells his watch to buy a present for his wife's hair. The wife sells her hair to buy him a watch chain. What on earth would Toys 'R' Us make of O. Henry's tale? A classic case of Christmas mismatch? A couple of sorry losers who end up at the return counter?

Forgive me for this holiday dispirit. But the idea of kids roaming the toy jungle with zap guns hunting their own presents brings out my inner Grinch. It makes me long for the days when kids worried about being naughty or nice. Ah yes, Santa. Now there was a guy who really knew how to scan.

The Boston Globe

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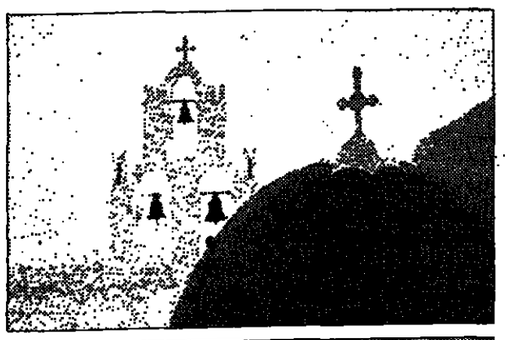
DESTINATION GREECE

CONFERENCES



"DESTINATION GREECE: CONFERENCES" was produced in its entirety by the Advertising Department of the International Herald Tribune. It was sponsored by the Greek Tourism Organization.
WRITER: John Rigos, based in Athens.
PROGRAM DIRECTOR: Bill Mahder.

Conferences Extend The Tourist Season

Upgraded facilities will bring visitors to Greece even in the off-peak months.

Tourism, like any other industry, cannot be fully profitable unless it is a year-round operation. In Greece, where good weather makes tourism a seven-month affair, international conferences can extend the season to the other five months. This will be possible with improved infrastructure and good organization.

Medium-sized conference centers are already in place on the islands of Rhodes, Kos, Crete, Lemnos and in Thessaloniki. The government has promised financial support to private enterprises willing to invest in similar centers in other parts of the country.

"Conference infrastructure is not only hotel rooms; it is suitable equipment, the proper setup in suitable hotels, breakout rooms and supplementary spaces for exhibits," says Nikos Skoulas, secretary general of the Greek Tourism Organization. "It also means correct lighting, screens, spotlights, overhead and slide projectors, laptop PCs in conjunction with filmprojectors, video projectors and multimedia applications."

Mr. Skoulas is urging investors to consider conference tourism and visitors to participate in pre- and post-conference activities. Conference participants spend twice as much as ordinary tourists, are better educated and, therefore, can better appreciate the cultural advantages of Greece.

According to Mr. Skoulas and other top Greek tourist executives, conferences can draw more tourists to Athens; currently many visitors take charter flights directly to their island destinations. Plagued by congestion and air pollution like many other metropolises, Athens has seen the number of its foreign tourists wane over the years. Athens hotels had 51.4 percent occupancy in 1996, compared with 72.9 percent in Rhodes and 69 percent in Crete.

"Since 1987, it has become evident that the best way to restore Attica as a tourist destination is to turn Athens into the 'Conference Center of the Balkans,'" says Mr. Skoulas.

New center

Mr. Skoulas estimates that about 150 conferences, seminars and exhibits take place each year in Athens. For most of these, organizers use the facilities of large hotels. If the number of attendees is high, places like the indoor Peace and Friendship stadium or the Piraeus Port Authority are used. Even the Roman theater under the Acropolis has been used for the opening sessions of large conferences. For exhibitions and displays, sports stadiums, passenger stations and old factories are offered.

The lack of large conference centers means that Greece ranks 26th in the number of conferences held, and Athens is the 36th city after places like Jerusalem, Madrid, Paris, Barcelona, Nice, Istanbul and Rome.

To fill the gap, the government decided to create a conference and exposition center for HELEXPO, the Hellenic Expositions Organization, in Maroussi, a suburb 10 kilometers north of Athens. Taking into consideration that HELEXPO organizes about 20 trade expositions annually, the organization cannot accommodate many other conferences. For this reason, the government has legislated the partial financing of privately owned conference centers, provided they can handle more than 3,000 attendees.

Mr. Skoulas believes that Athens needs a conference center with a capacity of 10,000 to 12,000 participants and suitable space for exhibits. Such a center should be close to the new Athens airport at Spata; have good road access to the capital, its commercial center and the archaeological sites; and include ample parking space and proximity to first-class hotels.

The investment for this center should come from an experienced group that will also provide the know-how to organize a large-scale conference, with state support. The government could offer the land, finance the project in accordance with the existing development legislation, and also allow construction of a small space to cover the secretariat needs of the center and the organizers.

Ideal area

The Society of Conference Organizers (SEPOS) recently called on the state to "cultivate the ground by establishing conference centers in accordance with existing international specifications."

"Athens is the only European capital that does not have a conference center," says a SEPOS spokesman.

Alexis Koimissis, general director of the Astir hotel complex in Vouliagmeni, 25 kilometers (16 miles) south of Athens — where medium-sized conferences take place — believes that the Athens area is ideal for conferences.

"Besides natural beauty and sites of cultural and historical heritage, the area provides good hotels, first-rate restaurants, night life, entertainment and good shopping centers," he says. "This does not mean that everything is perfect. A lot remains to be done so that by the year 2004, a crucial year for Greek tourism [because of the Summer Olympics], we can meet the challenge."

Constantinos Constantinidis, CEO of Heliotopos Conference Organizers, says that, although Greece has some conference centers, the establishment of a large center in Athens "will definitely contribute to the development of conference-based tourism. But the size of such a center should be studied and be relative to the financial realities that will accompany the operation of such a place."

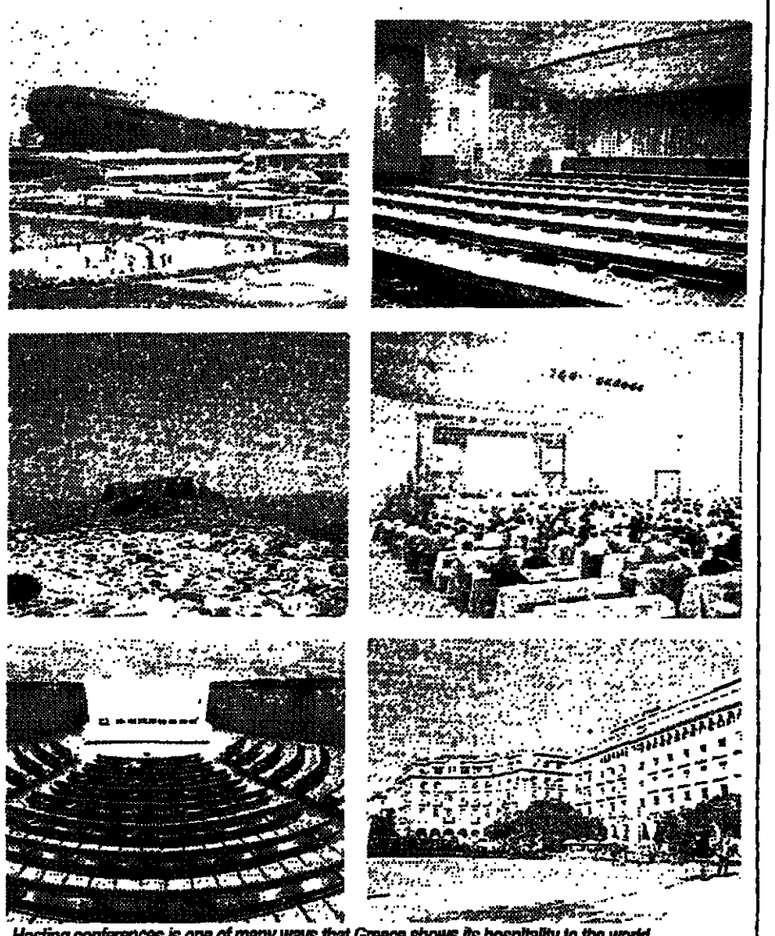
Training

George Barboutis, marketing director of Rhodos Palace — one of the largest hotels in the island of Rhodes, which also has one of the largest conference centers in Greece — says that his hotel has facilities for 3,500 people. The Jupiter Hall, which is 850 square meters (3,050 square feet) large and is equipped with the most modern audio-visual facilities, has a capacity of 1,200. Athena Hall and the Salon des Roses have a capacity of 650 each, Nausica Hall can accommodate 280 and Nefeli Hall 200. There is also the multiple-use Apollo Room of 240 square meters.

"Our center can accommodate 3,500 conferees, in 11 special halls with three simultaneous-translation systems, and fully applies the regulations of the European Union," says Mr. Barboutis. In order to expand its conference center, Rhodos Palace invested $16 million between 1990 and 1993, he adds.

But all the buildings and equipment are not enough, says Mr. Skoulas.

"To properly utilize all these material means, we need knowledge. We must conquer the field through knowledge. We must be trained to organize conferences on a large scale and to handle conferences and to promote and attract them. For this reason, we need three things: training, training and more training." To this end, he intends to invite experts for a full training program of conference tourist executives.



Hosting conferences is one of many ways that Greece shows its hospitality to the world.

Nicolas Asciu/IHT

Rescuing A Paris Institution

By Patricia Wells
International Herald Tribune

PARIS — Mark Williamson has turned into a bit of a Parisian superman. Already the owner of two popular, well-established wine bars — Willi's and Juveniles — he has flown in, cape flapping, to rescue one of Paris's prettiest and most neglected restaurants, Le Mercure Galant, next to the Palais Royal.

Since September, the restaurant — renamed Maceo, after the saxophonist Maceo Parker — has been playing to a full house, thanks largely to considerable local enthusiasm, overflow from Willi's just a few doors away, and Williamson's impeccable sense of presence. Not to mention that, wherever "Willi" can be found, you are certain to discover at least one or two new, spectacular, wines.

Maceo is far from being in place. Much of the staid decor of the old Mercure Galant still awaits an overhaul, and the new chef, Jean-Paul Deyries, is still getting settled. But a new sommelier, an appealing, well-priced menu, and that welcome wine list make it worth a visit right now.

A good starter on the current menu is an Asian-inspired trio of fresh, giant shrimp on a bed of sautéed bean sprouts, all bathed in a delicate, palate-opening curry cream. Equally fine is the wild-mushroom terrine, a compact vegetable terrine that's carefully seasoned.

Main courses include a pleasurable *canon d'agneau*, or nuggets of lamb wrapped around minced black olives, and sautéed to order. The accompanying eggplant "caviar" and confit of fresh tomatoes give the dish a proper Provencal accent. Also worth ordering is the beef filet in a well-spiced red wine sauce.

Pick of the Wines

Two current wines to search out include the Weingut Loosen's slightly bubbly German riesling from the Mosel River valley — the good quality 1995 is priced at 240 francs ($40) — and the dark, aromatic, peppery purple Jade Mountain "Cote du Soleil" from Sonoma, California. The 1995 vintage, made with a blend of the popular Rhone Valley grape varieties mourvedre and syrah, is pricey at 360 francs but worth it for those eager to further explore the best wines of California.

Some of the better-priced wines on the list include the pleasant Cotes-du-Rhone Seguret from the winemaker Jean David (the 1995 is priced at 120 francs); the always dependable Coudelet de Beaucastel, with the 1995 red priced at 140 francs; the best of the Beaujolais cru, a 1996 Fleurie from the Domaine des Vissoux at 160 francs, and the eternally welcoming Domaine Tempier rosé from Bandol, the 1996 at 160 francs. And if you don't know where to turn when you open the wine list, the young sommelier will eagerly assist.

Desserts are included in the well-priced dinner menu: Try the feather-light pear *millefeuille*, perfumed lightly with licorice, or reglisse. Only the bread — flabby antiquated dinner rolls — needs desperate attention.

Maceo, 15, Rue des Petits-Champs, Paris 1: tel: 01-42-96-98-89; fax: 47-03-36-93. Closed Sunday. Credit card: Visa, MasterCard. 185-franc ($31) lunch menu, 220-franc dinner menu. A la carte, all entrees priced at 80 francs, main courses at 120 francs, and desserts at 50 francs. Wines priced from 96 to 490 francs.

St. Petersburg, Dostoyevsky's City on the Neva

By Michael Specter
New York Times Service

ST. PETERSBURG — Russian literature really did not exist until — through a singular act of will, cruelty and imagination — Peter the Great summoned St. Petersburg, this strange, beautiful city, from the sea. Somehow, by inventing a new city in an old country, Peter created for Russia not just a fortress but also a soul.

If they wished, visitors here could do nothing but wander among the marble busts and ornate villas of the literary past: Pushkin's vest — pierced by the bullet that killed him in a useless duel — lies permanently on display. Here Gogol wrote much of "Dead Souls," his uncanny guide to the mind of the Russian bureaucrat.

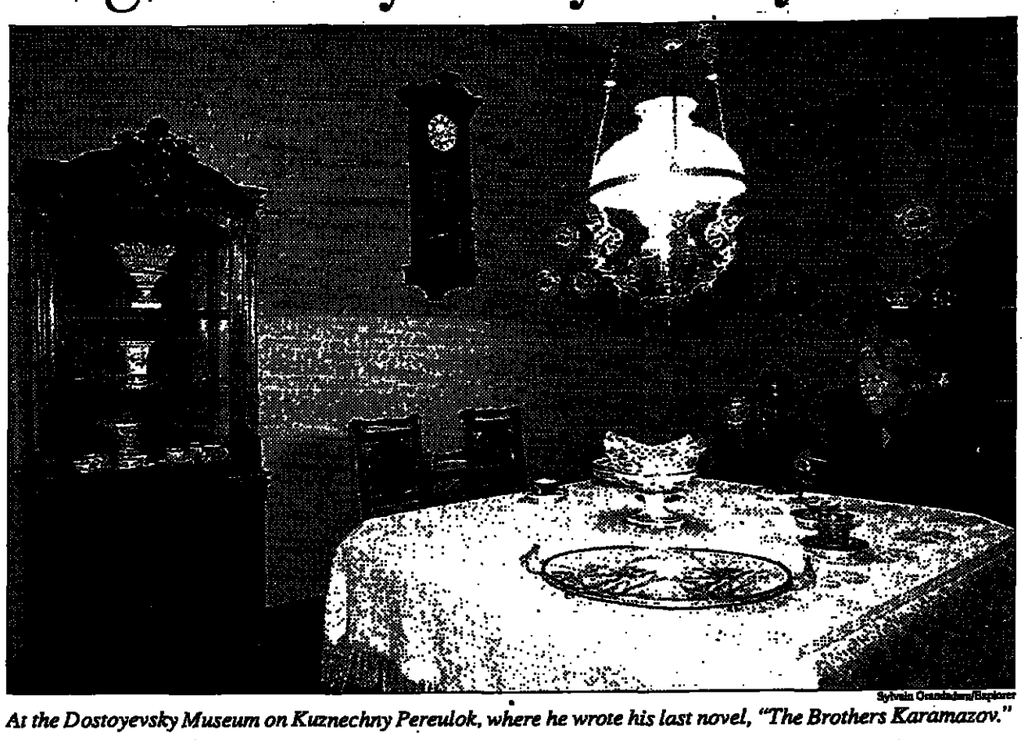
But for all the literary echoes ringing through the grand, neoclassical mansions, for all the artifice and pageantry, St. Petersburg is still the dark province of one febrile man: Fyodor Dostoyevsky. Although he was born in Moscow, he spent more than 30 years here, where he created his greatest novels. More than to any other writer, this city which is at once so glorious and so malign, belongs to him.

"There is something inexpressibly touching," Dostoyevsky wrote about the city in his story "White Nights": "Somehow I cannot help being reminded of a frail, consumptive girl, at whom one sometimes looks with compassion, sometimes with sympathetic love, whom sometimes one simply does not notice . . . one cannot help asking oneself what power made those sad, pensive eyes flash with such fire?"

Dostoyevsky was the greatest interpreter of the limitless depths of the Russian soul, and this is the place where it has always been most clearly on display. He once declared that St. Petersburg was a city for the "half mad." Viscount Melchior de Vogue, a Frenchman, agreed, and regarded Dostoyevsky as its warden: "He is the Shakespeare of the lunatic asylum." There was little question that the asylum was the city itself.

The New — and the Old

Much has changed here since Dostoyevsky died in 1881; much has even changed this year. (From the window of one of the many apartments in which he lived, Golden Arches are visible; from the doorstep of another dwelling you can spy offices for Fedex and Sprint.) It is sometimes hard to reconcile the mystical anti-Western view of the writer with a city that is now filled with boutiques; that has a Western hotel in a houseboat on the banks of the vast, roiling Neva, and that has never, in any real way, been a coherent part of Russia.



Sylvain Grandadam/Explorer

At the Dostoyevsky Museum on Kuznechny Pereulok, where he wrote his last novel, "The Brothers Karamazov."

In the end, even today, it doesn't matter. The writer's city, finally, cannot be budged. The grim layer of cloud and fog rising from the Neva guarantees that. The canals are as fetid and mysterious as they were 150 years ago. And the fact that St. Petersburg is so European and has always been so helps create the city's permanent sense of ambivalence, of not belonging. So it is still fun — and instructive — to stroll the streets of the imperial city, seeing how intricately Dostoyevsky's work and life were meshed.

It is perhaps best to start where he ended up. Since 1971, the writer's last apartment at 5/2 Kuznechny Pereulok has been a museum. There are two floors filled with paintings of everything from the French Revolution (which inspired him and many other St. Petersburg intellectuals) to likenesses of Christ. Collections both of his works and of the works he read — most notably his Bible — have also been retained. Historians tried without success to find the original plan for the apartment. So they improvised: They removed 18 layers of wallpaper until they found a green, ornately detailed paper dated 1878, a time when Dostoyevsky occupied the apartment. He wrote his last novel, "The Brothers Karamazov," in the cozy rooms here.

Two photographs were made of his original study; so it can be seen today as it was when he wrote. He kept his desk compulsively neat but his writing style was intensely haphazard. You can see manuscript copies where he fills a page, turns it over and fills the back and then scrawls additions in the margin.

20 Moves Dostoyevsky moved 20 times in his three decades here, most of the time because he could no longer afford what he had. His gambling was ruinous to his health, his relationships and his pocketbook. But it kept him productive. He was often poor, usually in debt. But he was always particular about what kind of place would be suitable for him.

"When he rented an apartment he always looked for corner buildings," said Vera Biron, a Dostoyevsky scholar who has written a Russian-language guide to the writer's city and who conducts tours for the Dostoyevsky Museum. "That way he could be more isolated from people. It was also important to him to live in a place with a church or a cathedral that could be seen from his house."

We are standing at Sennaya Square, which when Dostoyevsky knew it was called the Haymarket. In his era the Haymarket was alive with noise, mud and the suffering of the poor. Serfs were beaten publicly here.

Dostoyevsky lived three times at three different houses on a narrow, cobblestone street — Kaznacheyskaya Street. ("The most Dostoyevsky place in all of St. Petersburg," according to Biron. "He considered it the stomach of the city.") The rancid smell of the canal — women washed the family laundry in it, children bathed, and many used it as a toilet — is gone now. But the claustrophobia of the place remains. The buildings are pressed against each other — in contrast to the broad apartments so common in other parts of the city.

Dostoyevsky wrote "Crime and Punishment" in an apartment here that seems more like a prison cell than a home. He started the book in 1865, one month after he had read an article about a merchant's son from Moscow who had killed two old women with an ax.

The murderer had been an Old Believer in rituals, a *raskolnik* in Russian, and Dostoyevsky seized on him to create Raskolnikov, his murderous, intellectual hero, who was his fictional neighbor on this street, as was the old lady he killed.

Merchants no longer sell hay in the square. Cars, clogging the narrow alleys around the Griboyedova Canal, have taken the place of horses. But the cramped, musty feeling of the neighborhood has been preserved for more than a century. It used to be filled with drunks and prostitutes. The prostitutes have moved to better locations, but men still weave uncertainly as they cross the Kokushkin Bridge.

When Dostoyevsky lived here this place was as seamy as a seaport city can get. Once while he was crossing the square a drunken soldier offered him a silver cross and the writer bought it although he knew he was being cheated. It turned out to be made of brass but Dostoyevsky couldn't part with it and became very upset when he lost it.

It was on this bridge that Raskolnikov stood contemplating suicide, staring bleakly into the black waters beneath him. It was also in this neighborhood that Dostoyevsky passed the worst moments of his life: in 1864 his wife died at the age of 43; late that year so did his brother and then his friend Apollon Gorogyev. He said that his life broke in two at this point. "It is as if the tragedy of Dostoyevsky's life added a certain value to the neighborhood," Biron said. "There are simply some mystic places in St. Petersburg that never change in people's minds."

Most of the square was destroyed during the Nazi siege of World War II. The buildings have been reconstructed, but the mood has never shifted.

Dostoyevsky's city is surprisingly small. It takes only an hour or two to cover all of it. From his lodging house not far from Haymarket Square to the block where the old moneylender lived, Raskolnikov took 730 famous steps. Many people, including prominent actors, have tried to take the 730 steps from the house near the canal where Raskolnikov is said to have lived to the lodgings of the old woman at what is now 25 Prospekt Rimsky-Korsakov. Nobody has managed to find the right pace.

BUT they never stop trying. On this trip the courtyard is filled with ancient women chatting in the fading sunlight. They look old enough to have lived when Dostoyevsky made his habitual nocturnal forays here. They know without having to ask why we have come.

"It's up there," one shouts. "The spirit of the dead is still on the landing." The stairs are cluttered and cramped and there are graffiti all the way from the ground floor to the fourth floor. The apartment is not open, but the sense of danger is palpable. There are notes and banners stuck to the floor: "Do it again," says one. "Why did she die?" asks another.

"You rarely see a literary event so alive after this many years," Biron noted, before walking through the courtyard, back toward the canal where Raskolnikov hid his ax. "People still wonder if any man in a heavy coat could be the killer."

Arequipa, Peru's White City of Churches and Altars

By Joseph Carey

AREQUIPA, Peru — A popular T-shirt sold in the southern Andean city of Arequipa reads in Spanish: "Are you from Peru? No, I'm from Arequipa." If this sounds like local snobbery, it probably is. And with good reason.

Arequipa, Peru's second largest city, with a population of about 620,000, is truly a serene place. It is nourished by Baroque churches and colonial buildings mostly of white, which adds an extra air of holiness. Indeed, white is everywhere, from the vistas of sandy rolling hills as you approach from the air to the bright shimmering buildings of the city center.

The snowcapped volcano El Misti (19,150 feet, or about 5,800 meters) soars above the central Plaza de Armas, which is bordered by the twin spires of the cathedral, spanning an entire side, and by two levels of double arcades on the three others. Radiating from the plaza are streets laid out in a gridlike pattern, making the city easy to explore on foot.

Arequipa enjoys the most temperate climate in Peru, with rains for only a few hours a day from January to April and a dry season from May to October. We had sunny days, with temperatures in the 70s Fahrenheit, and cool nights.

Arequipa was established by the Spaniards in 1540. In addition to its Baroque churches and the unusually sumptuous 16th-century monastery, the city offers colonial houses made of sillar, white rock from El Misti and other nearby volcanoes. Many of these houses have been restored and opened to the public as art galleries.

In a country known for major efforts in recent years to quell terrorism, there was hardly a trace of unrest in Arequipa. But pickpockets require constant vigilance, as in most Latin American countries. The city is the commercial hub of southern Peru, surrounded by dairy farms and copper mines, and is a center of alpaca wool processing.

I was immediately beguiled by the stunning Plaza de Armas, with its lush grass, oleanders, palm trees, fountains, lampposts and benches. On the square's northwest side, on the second floor of the double arcades, are some enticing restaurants.

On the north side of the plaza stands the cathedral, originally dating from 1656 but badly damaged by fires and earthquakes and rebuilt starting in 1844. The spacious, somewhat Baroque interior with cream-colored walls and white trim is accented by 12 columns with statues of the apostles carved in Italian marble.

Across the plaza is the 1654 Jesuit church of La Compania with a wildly carved baroque facade. The main altar is an elaborately carved, gold-leafed cedar monument to the Jesuits' founder, St. Ignatius of Loyola, and Jesus and Mary, who are depicted in its niches.

Remarkable chapel Inside the church is a remarkable side chapel named for St. Ignatius, which costs 1 sol — about 40 cents — to enter. From floor to cupola, the walls of this former sacristy are covered with recently restored, brilliant frescolike renderings of warriors, angels and the four evangelists among bright tropical birds, fruits and flowers — all to remind young seminarians of their future careers evangelizing the inhabitants of the jungles of northeast Peru.

Two superbly carved sillar cloisters next to the church now house a handful of retail stores selling alpaca clothing,

Vera A. Lentz for The New York Times

The Plaza de Armas is the hub of Arequipa.

books, liquor, jewelry, silver and art. These open spaces provide wonderful views of La Compania's domes.

Other buildings provide a look at Arequipa's grand colonial past. The Casa Rickets, about a block north of the cathedral, was first a Jesuit seminary, then an archbishop's mansion, a school and a private home. Now, it is a bank and art gallery displaying colonial and contemporary paintings.

The crown jewel of Arequipa, three blocks north of the cathedral, is the Dominican Monastery of Santa Catalina, surely one of the world's most fascinating religious establishments. Its groupings of one-and two-level buildings within a walled square block were built in 1580 by Maria de Guzman, a rich widow. Its cells, chapels, kitchens, laundries and servant and slave quarters are sprinkled throughout a labyrinth of narrow, twisting streets, beautiful courtyards and tiny plazas with flowers planted in every available space. It was private for 400 years, opened to the public only in 1970, and it cost us about $3.75 each to enter.

The monastery's architectural style is Mudejar, adapted by the Spanish from the Moors and rarely seen in colonial buildings. It emphasizes strong contrasts and brilliant colors, mostly bright blues and oranges.

Originally, Santa Catalina was inhabited only by women from wealthy Spanish families, who were required to pay a dowry, and hints of their affluence — groupings of one-and two-level buildings within a walled square block were built in 1580 by Maria de Guzman, a rich widow. Its cells, chapels, kitchens, laundries and servant and slave quarters are sprinkled throughout a labyrinth of — spacious kitchens, servants quarters — are still present in areas open to the public. Santa Catalina once housed 450 women but today only a handful of cloistered nuns remain.

Off the entrance are a series of rooms known as *locutorios*, little cells where the nuns could talk, unseen, to visitors — on holy days only. When you walk along the main path through a pastel orange arch with the word "Silencio" carved into its face, the first building is the Novices Cloister. Its 24 round wall paintings depict the power and glory of the Virgin.

Nearby is the Orange Tree Cloister, with pastel electric blue columns, and more wall paintings, representing the spiritual exercises of St. Ignatius, which purify the soul.

Along the corridors are doors to the nuns' cells, which have arched niches with boards for beds and small altars. On the Calle Malaga, a street within the monastery, the names of former occupants are carved over the doors. Toward the center of the monastery is the Sala Zurbaran, a vaulted room displaying vestments, miters, platters, vases, tea sets and crockery.

The feminist Flora Tristan, Paul Gauguin's maternal grandmother, described her visit to Santa Catalina in her "Pilgrimages of a Pariah," written in 1850: "Imagine a small room with an arched roof, of 10 or 12 feet in width by 14 or 16 in length, covered entirely with a lovely English rug in a Turkish design, in the middle an arched door with a small window on each side in the same style and those two windows equipped with cherry-colored silk curtains with black and blue trim. At one corner of the room a small varnished iron bed with a mattress lined in English ticking and sheets of batiste adorned with lace from Spain. In front was a divan, some pillows for visitors to sit on and lovely tapestry stools. At the back, there was a niche with a lovely white marble console that closely imitated a small altar. On top of the console were many vases filled with natural and artificial flowers; silver chandeliers with blue candles; a small violet velvet missal that closed with a gold lock and a small wooden Christ beautifully worked."

I WALKED along the Calle Toledo, past a row of 5-foot-tall red geraniums, to the cell of Mother Dominga Somocursio. She had a patio and three rooms, including a large kitchen with two ovens, two living rooms — one with a large altar for herself and another for a servant. Near her quarters is a laundry with 20 huge clay half-jars set on a slope so that they drained down and away from the washing area.

As we prepared to leave, I couldn't help but think that with this wealth of churches and monasteries, and with new very inviting rates, the prideful T-shirt will no doubt remain popular.

Joseph Carey, a free-lance writer based in Washington, wrote this for The New York Times.

MOVIE GUIDE

Deconstructing Harry

Directed by Woody Allen. U.S.

Private life caught up with Woody Allen several years ago and now, with rancorous brilliance, he returns the favor. "Deconstructing Harry," his angriest film since "Stardust Memories" and also his most viciously funny, lets Allen expand on a thought raised less directly in "Bullets Over Broadway": that the person ruled by creative imagination may be indifferent, not to say ruinous, to the happiness of those around him. And that even if he wreaks havoc, maybe he thinks he has no choice. Like the man almost said, the art wants what it wants. "Nihilism, cynicism, sarcasm, orgasm!" shouts one of the film's many outraged women at Allen's character, Harry Block, a writer whose hilariously veiled fiction hits too close to home. "In France I could run on that slogan and win," replies Harry, who makes no apologies and certainly has a way with a one-liner. Not to mention a short story: "Deconstructing Harry" flits deliriously from real-life episodes to Harry's outrageously embellished versions, which create absurd, paper-thin disguises for himself and his lovers. In the world of Harry's imagination, it's always Halloween. Working in a deliberately tougher style than that of his other romantic comedies, Allen uses jump cuts, raw language, conspicuous drinking, prostitution and a dearth of feel-good music (the old standard heard over the credits is "Twisted") to underscore his film's bitterness. Yet the effect of all this, like it or not, is terrifically liberating. This poisonous, brazenly autobiographical comedy shows off the best of Allen's misanthropic humor. Harry Block, under siege, has been through three wives, six psychiatrists and assorted girlfriends, apparently turning most of them into enemies along the way. Allen is hard on Harry, too, letting the character complain that he has no soul and offering plenty of evidence for that claim. Aided by the same technical contributors who traditionally give his work its visual luster, Allen writes outstandingly acerbic dialogue this time. The best one-liners, like the whole film, mix wit with melancholy self-knowledge. For instance: "Tradition is the illusion of permanence." And: "I think you're the opposite of a paranoid. I think you go around with the insane delusion that people like you." *(Janet Maslin, NYT)*

Scream 2

Directed by Wes Craven. U.S.

"Scream 2" is less a film than a text for performance by an audience. And it's the audience that's the real show. Such was the intensity of tribal bonding in the dark, such was the flood of hormones, adrenaline and the juice of other obscure glands, such was the pitch of sheer Dionysian ecstasy that the movie itself finally seemed inconsequential to the ceremony it unleashed. And at the end, the kids fortunately did not decide to sacrifice a codger to the demon-gods of youth, beauty and simple thinking. All this is not accidental. Wes Craven, the auteur of the "Scream" films and before that several in the high-end slasher market (like the original "Nightmare on Elm Street"), understands the nature of his audience. You can't fool them, you can only pander to them genuinely. His stroke of genius is to offer the horror movie in an ironic mode. He's winking at viewers and inviting them to share a clever conspiracy that we on the cholesterol-clogged side of 30 cannot begin to understand. He knows, for example, that the horror genre is exhausted and bankrupt and has entered its creaky last stage, the stage of self-parody. So he offers a film that's more commentary on story than story itself: He sends up the clichés with boldness, inviting his young fans to share in his contempt for the formulaic. Craven somewhat ups the stakes by making "Scream 2" a parody not of a horror movie but a parody of a horror movie sequel, that lesser form where the expectations are so much lower. "Scream 2" is a hoot from Hell. *(Stephen Hunter, WP)*

صكذا من الأصل

GOOD TRAVEL DEALS

GETTING THERE

AIR NEW ZEALAND / ANSETT AUSTRALIA / SINGAPORE AIRLINES	Malaysia to United States	"Pacific Escapade" allows business and economy passengers unlimited stopovers up to a maximum 22,000 miles (35,200 kilometers) at destinations in Australia, New Zealand, The Cook Islands, Fiji, Tahiti and Hawaii at no extra cost. Business-class passengers can claim two nights' free accommodation during the trip. Until March 31.
BRITISH AIRWAYS/ QANTAS	Around the World	London-Cape Town-Johannesburg-Perth-Sydney-Ho Chi Minh City-Bangkok-London for £937 ($1,550) plus £47.80 tax. For departures April 16-June 30. Minimum stay: 14 days. Trailfinders (44-171) 938-3939.
EMIRATES AIRLINES / AIR NEW ZEALAND / LANCHILE / KLM	Around the World	London-Dubai-Colombo-Singapore-Melbourne-Auckland-Easter Island-Santiago-Buenos Aires-London for £1,188 ($1,960) plus £30.50 tax. For departures April 1 to June 30. Trailfinders (44-171) 938-3939.
LAUDA AIR	Britain to Australia	Round-trip business-class fare from London or Manchester to Sydney or Melbourne (via Vienna) for £1,685 ($2,785) saves £1,529 off the normal fare. Stopovers allowed in Vienna and Kuala Lumpur in both directions. From Jan. 1 to June 30. The Travel Bug (44-161) 740-8998

WHERE TO STAY

CAPITAL HOTEL	Beijing	"Capital Club Package," $140 a night for a "deluxe" room, includes buffet breakfast; high tea; evening cocktails and canapes; 25 percent discount on limo service; 10 percent discounts on food and beverage and laundry. Until Dec. 31.
HOTEL IMPERIAL	Kuala Lumpur	Fifty percent off regular rates. Until March 31.
OMNIA BATAVIA	Jakarta	"Best Seller" rate of $68 single and $78 double (plus 21 percent tax) for a "superior" room includes American buffet breakfast and use of health club. Until Dec. 31.
PRINCE HOTEL	Hong Kong	Singles for 1,600 Hong Kong dollars ($205) a night, doubles 1,700 dollars, with American buffet breakfast, limo transfers to airport, evening cocktails. Until March 31.
TRINIDAD HILTON	Trinidad	Five-night "Carnival Package" for £354.90 ($585) plus 20 percent tax and service per person sharing a twin or double room includes American breakfast and tickets to the carnival. Feb. 20 to 24.

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

ARTS GUIDE

Some museums may be closed on holidays. We recommend you call before going.

AUSTRIA

VIENNA
Kunsthistorisches Museum, tel: (1) 525-24403. closed Mondays. **Continuing/** To Jan. 18: "Land der Bible." Exhibits connected with events or persons described in the Bible.

BRITAIN

LONDON
Royal Academy of Arts, tel: (171) 439-7438, open daily. **Continuing/** To Dec. 28: "Sensation: Young British Artists from the Saatchi Collection." Paintings, sculptures, videos, photographs and objects by 40 young artists.

FRANCE

PARIS
Centre Georges Pompidou, tel: 01-44-78-12-33, closed Tuesdays. To March 9: "Bruce Nauman: Image/Texte, 1966-1996." More than 60 installations, sculptures, neon pieces, drawings and videos by the American artist (born 1941).
Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. **Continuing/** To Jan. 5: "Les Iberes"; to Jan. 12: "Prud'hon, 1758-1823"; to Jan. 26: "Georges de La Tour, 1583-1652."

GERMANY

BERLIN
Neue Nationalgalerie, tel: (30) 266-2653, closed Mondays. **Continuing/** To Jan. 4: "Exil: Flucht und Emigration Europaischer Kunstler, 1933-1945." Works by artists who fled Hitler's Germany.

FRANKFURT
Schirn Kunsthalle, tel: (69) 299-882-0, closed Mondays. **Continuing/** To March 1: "Between Heaven and Earth." Russian icons dating from the 14th to the 16th century.

HONG KONG

Hong Kong Museum, tel: 2734-2167, closed Mondays, Dec. 25, 26, Jan. 1. To March 1: "National Treasures: Gems of China's Cultural Relics." More than 150 exhibits from museums and cultural institutes in China, most of them unearthed since 1922. Bronze, jade, ivory, silver and gold objects, as well as lacquerware and stone carving span the periods from the Neolithic era to the Ching dynasty.

ITALY

VENICE
Correr Museum and Doges' Palace, tel: (41) 940-200, open daily. **Continuing/** To Dec. 31: "From the Doges to the Emperors." Documents how Venice lived in the last days of the Republic until its fall in 1797.

NETHERLANDS

GRONINGEN
Groninger Museum, tel: (50) 366-6555, closed Mondays. To March 8: "Azzedine Alaia." The work of the designer is surveyed against a background of works by contemporary artists who have inspired him, such as Julian Schnabel, Bruce Weber and Peter Beard.

PORTUGAL

LISBON
Centro Cultural de Belem, tel: (1) 301-9606, open daily. To Feb. 12: "Modern Art in Portugal, 1910-1940." The objective of this exhibition is to underline the similarities between the efforts of the artists that undertook the difficult task of introducing new aesthetic principles in Portugal and similar efforts by the Portuguese poet, Fernando Pessoa. Features works by Antonio Carneiro, Amadeu de Souza-Cardoso and Vieira da Silva.

UNITED STATES

LOS ANGELES
The Getty Center, tel: (310) 440-7360, closed Mondays. The Getty Center that opened on Tuesday presents two inaugural exhibitions in the J. Paul Getty Museum: To Oct. 18, 1998: "Beyond Beauty: Antiquities as Evidence." With a selection of ancient Indian, Peruvian and Chinese artifacts, the exhibition explores the beauty of ancient works of art as well as the historical, cultural and technological information contained in these works To Dec. 6, 1998: "Making Architecture The Getty Center from Concept through Construction." Models, drawings, photographs and video interviews focus on the process of architecture that, in 15 years, led to the construction of the Center. The J. Paul Getty Museum in Malibu is closed for renovations until 2001.

For Short Haul, Take a High-Speed Train

By Roger Collis
International Herald Tribune

THE new generation of high-speed trains is setting the pace for business travel within Europe. Why fly when you often can get there more comfortably, conveniently and faster by high-speed train — sometimes for a third of the cost of a business-class air ticket? The train can beat the plane (and the automobile) from center to center on journeys up to 650 kilometers (400 miles). On short-haul flights, flying time can be as little as 20 percent of total journey time. The time-distance equation is shifting in favor of high-speed rail versus air travel, but bear in mind that comparisons usually cite departure to arrival times for air travel but do not include the time it takes you to get to the train station and then to your final destination for rail trips.

THE FREQUENT TRAVELER

But as high-speed trains become even faster — thanks to state-of-the-art rolling stock and upgraded track — business travelers will be able to save time on longer journeys, which may make the airline option less attractive.

What counts with rail travel is the quality of the time. Going by plane, the time is fraught and fragmented, allowing more time than you need to get to the airport, checking in an hour before, standing in line, getting on and off the plane, taking a taxi at the other end. And high-speed trains offer superb comfort — especially in first-class where you can expect airline-style seating and service worthy of long-haul business class, with wide seats, plenty of legroom and meals and drinks served at your seat, plus the run of executive lounges at major terminals — all in the price of your ticket. Take your laptop and mobile phone and do a pile of work in peace.

"The patience span for business travelers seems to be about three hours for train journeys; if it's much longer than that, I might as well struggle out to the airport," says Mike Platt, director of commercial affairs at Hogg Robinson Travel in London. "Eurostar, which takes three hours from London to Paris is a roaring success. But London-Brussels, which takes over three hours is not seen to be worth it. Three hours seems to be the critical cutoff point. People catch Eurostar from work or go to work on Eurostar. If they start their journey from home, they're more likely to go to the airport. There's an enormous temptation for people in the City who need to go to Paris just to go to Waterloo and get on the Eurostar rather than trying to get out to Heathrow."

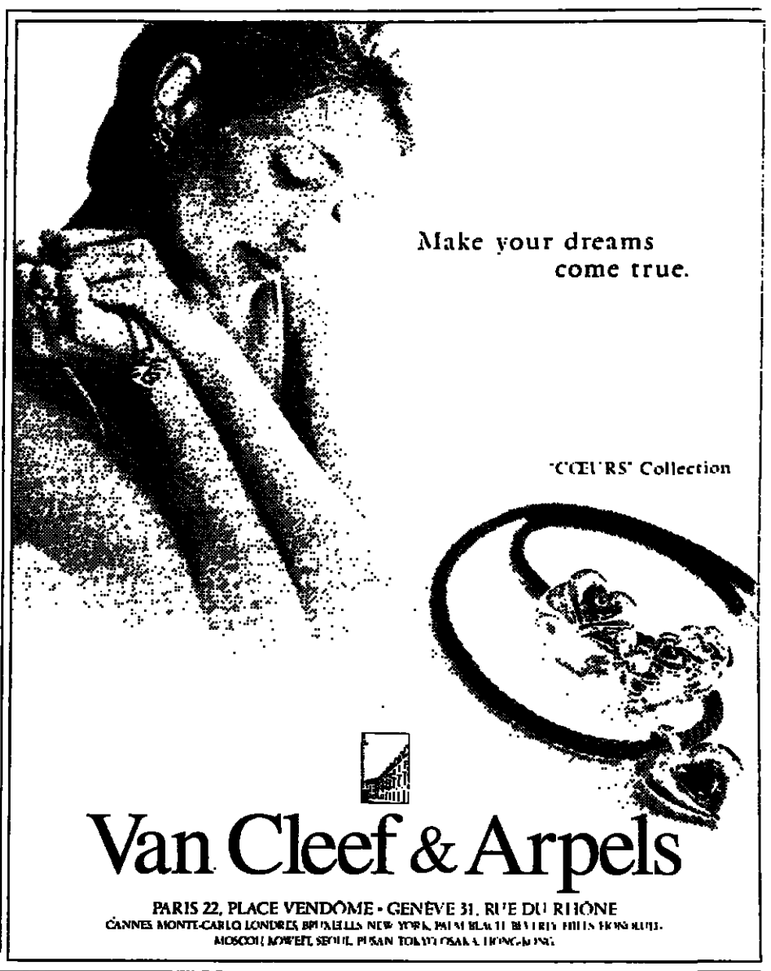
Eurostar — with services between London and Paris and Brussels (via Lille in northern France) — has proved a winning formula since it ran the first trains through the Channel Tunnel in November 1994. More than 25 trains a day among the three cities will carry around 6 million passengers this year, 25 percent of whom are business travelers. Eurostar claims that its market share between London and Paris is 60 percent of air and rail travelers. The London-Brussels share of 50 percent is expected to rocket with the opening of a new high-speed line between Lille and Brussels last Sunday, which cuts the journey time between London and Brussels by 30 minutes to two hours and 30 minutes. (If the high-speed link in Britain is completed in 2003, London-Brussels will take two hours, and London-Paris, two hours, 20 minutes.)

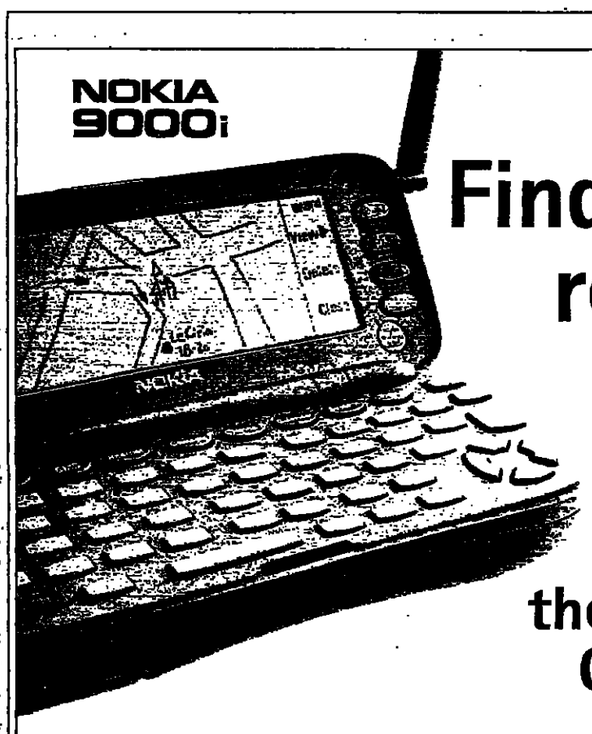
THE new Lille-Brussels high-speed line is part of a project to link Paris, Brussels, Antwerp, Rotterdam, Amsterdam and Cologne by high-speed Thalys trains (a consortium of French, Belgian, German and Dutch railways), which are already running on these routes, with improved services to Germany. The journey time between Paris and Brussels has now been cut by 37 minutes to one hour and 26 minutes, which extends the range of the train for business travelers. Brussels-Amsterdam, for example, now takes two hours, 40 minutes; London-Cologne is now five hours, 30 minutes; Paris-Cologne is four hours; and Brussels-Cologne, two hours and 30 minutes, soon to be cut to one hour and 45 minutes.

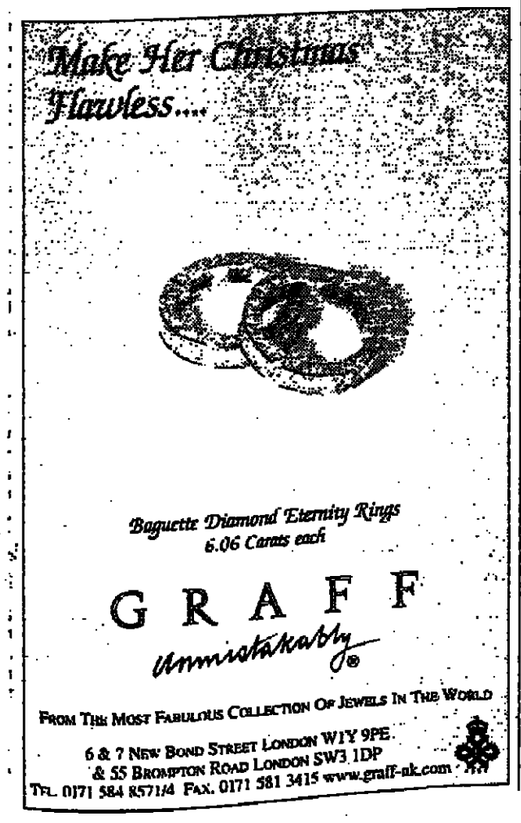
Eurostar has pitched fares to compete with airlines. Premium First is interchangeable with British Midland business-class tickets between London and Paris or Brussels. So you can take the train one way and fly back, or vice versa. If you take the train both ways, you get a free Standard Class ticket. The round-trip from Paris to London costs 3,110 francs (about $520), a tad less than the air fare. You are allowed a 10-minute check-in, a limo transfer from Waterloo to central London, a taxi from the Gare du Nord to any central Paris address, and other frills. A regular first-class round-trip costs 2,250 francs; Second Plus, a budget business fare, for 1,650 francs is about 40 percent cheaper than a full-fare economy round-trip airline ticket.

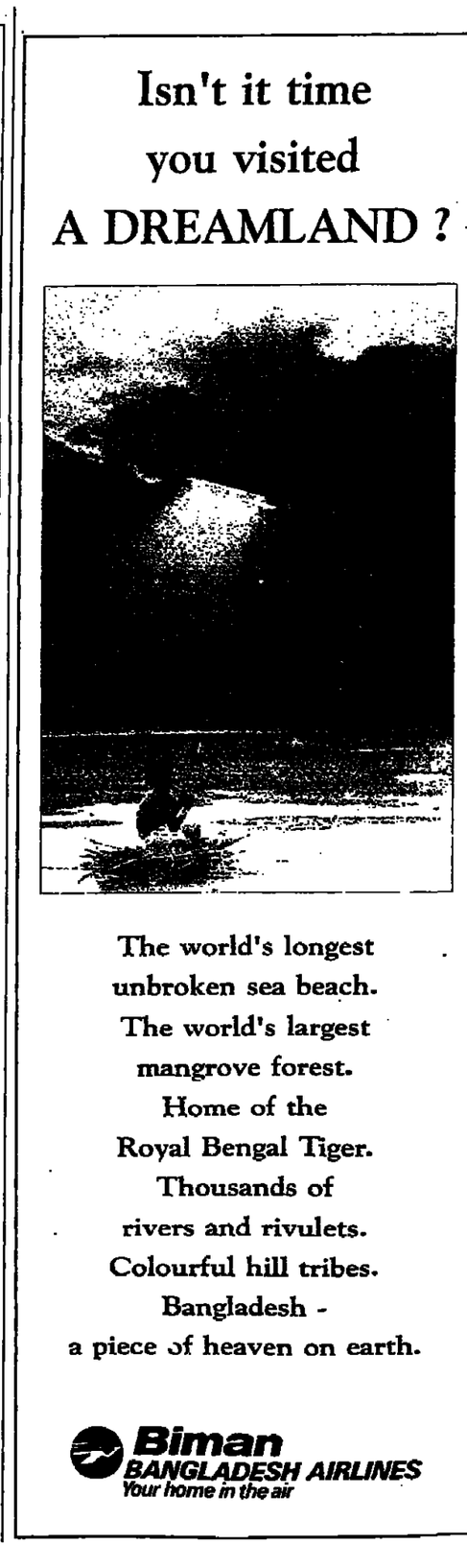
IT'S NOT EASY However, rail travel is not always easy to book. The problem is that travel agents find it hard to call up railway schedules on their screens. Even rail experts have problems.

Mike Woodward, manager of Continental Rail Office, a specialist department of Hogg Robinson Travel in London, says: "You can book airlines around the world on a screen. You can't do that yet with rail. The French have a ticketing system called Socrates; the Germans have a system called Start, which is not really a starter at the moment. They haven't got their acts together — especially for cross-border travel. Computer reservations systems like Galileo, Sabre, WorldSpan and Amadeus are not displaying rail schedules — at least, not in a place where you can easily find them. So they don't come up as an option to agents on the screen. We can issue about 60 percent of rail tickets across Europe on the screen. But it's a nightmare. Our bible is the Thomas Cook European Timetable, which comes out every month."









INTERNATIONAL

On Foreign Policy, Is Clinton Peering Through Rose-Colored Glasses?

By R. W. Apple Jr.
New York Times Service

NEWS ANALYSIS

WASHINGTON — Although he acknowledged that work remained to be done, President Bill Clinton gave a remarkably upbeat assessment of his administration's foreign-policy achievements at his news conference Tuesday.

But the picture was all but unrecognizable to many in Washington foreign-policy circles.

What puzzled many people about Mr. Clinton's words was not their partisan nature but the breadth of the claims he made at a time when the consensus among Western diplomats here is that American foreign relations have hit a bad patch.

They blame not just Mr. Clinton but also the intractability of certain problems and the difficulty of formulating policy in an ambiguous era with little agreement on goals, not only across party lines but also within parties.

After a period of relative success in places like Bosnia, where American diplomacy stanched the bloodletting, and Mexico, where a bold American intervention helped solve a financial crisis, the tide seems to many to have slowly turned. U.S. relations with Russia and China, a pair of insecure giants, remain relatively stable, if full of unresolved questions. But elsewhere, the picture is not nearly so reassuring, diplomats say.

In Iraq, the United States maintains that it has yielded nothing to Saddam Hussein to ease the latest crisis there.

Yet in the behind-the-scenes maneuvering, only Britain among the members of the Gulf War coalition remains steadfast behind the American position, with France, Russia, Germany and most Arab countries favoring a softening of UN penalties. If another confrontation with Mr. Saddam develops, furthermore, it appears likely that any military response will be left by the others to the United States and possibly Britain.

Mr. Clinton also said that, "under the vice president's leadership," conferees in Kyoto this month had taken "an important step" toward protecting the global environment from the climate-warming gases produced by burning fossil fuels. But Vice President Al Gore spent less than a day in Kyoto, and the United States agreed to a last-minute compromise on "greenhouse" gas emissions that was rendered more or less meaningless when Mr. Clinton made it clear that he would not submit the treaty to the Senate unless developing nations made concessions they had refused to make at the conference.

Again, in the Middle East, even the forceful intervention of Secretary of State Madeleine Albright has failed to get peace efforts back on course. Domestic politics in Israel make the necessary concessions difficult to grant, and Arab terrorist attacks strengthen the hand of the hard-liners. Mr. Clinton declined to meet the Israeli prime minister, Benjamin Netanyahu, when he was in the United States recently, an action that many, including Mr. Netanyahu, interpreted as a snub.

The president waved that idea aside with the comment that he had met Mr. Netanyahu five times and would meet with him next year. He said he would never insult Israel or the Israeli people; careful listeners may have noticed that he did not say he would never snub Mr. Netanyahu personally.

Although long accustomed to a Washington policy-making process that is more haphazard than those typical in Europe and Japan, largely because of the divisions of power built into the Constitution, the European and Asian allies of the United States appear bewildered by what is going on now.

"What is the structure? What is the goal?" asked a Western European foreign minister in a conversation this month. "The United States does not seem as deeply engaged as before, and where it is engaged, it seems unsure."

A European diplomat based in Washington commented that even though the United States possessed unmatched military and economic power, neither Congress nor Mr. Clinton seemed clear on exactly how it should be deployed in such places as Iraq and Bosnia. The preference, he said, seemed to be for "second-guessing each other rather than acting."

Mr. Clinton has exhibited great reluctance to commit U.S. forces abroad, which is not surprising given the Pentagon's considerable skepticism about armed interventions. A case in point has been the attitude of Defense Secretary William Cohen, who has only belatedly and reluctantly moved toward accepting the view that U.S. troops should remain in Bosnia after next June.

The expansion of free trade — and its corollary, the expansion of the number of market-economy democracies — has been the most consistent theme in American policy in the last decade.

Among Mr. Clinton's successes: the North American Free Trade Agreement and American approval of the Uruguay round of the General Agreement on Tariffs and Trade. He had hoped to build on those successes in his second term, but he was handed a bitter defeat by Congress when he sought added authority to conclude future deals.

In some senses, Congress has been the largest impediment to the development of a coherent foreign policy in the period following the Cold War, where there is no organizing principle comparable to the long struggle to stem Communist expansion. A majority of House members and 40 percent of the senators have been elected since the fall of the Berlin Wall. A third of all members of Congress are said to lack passports.

CAPTURE: *2 Seized to Face War Crimes Trial*

Continued from Page 1

that Bosnian Serb suspects were allowed to live openly by French peacekeeping troops operating in eastern Bosnia.

At about 1 A.M. Thursday, the Dutch troops surrounded the home of Vlatko Kupreskic in the village of Santici and moved in to arrest him, according to NATO officials. Mr. Kupreskic opened fire on the soldiers and was wounded by three bullets in the chest, arm and leg. NATO officials said his wounds were not life-threatening and, after surgery in Bosnia, he was flown Thursday afternoon to the Netherlands, where he will stand trial.

Mr. Solana said in a statement that the arrests should "stand as a warning" to all other persons indicted as war criminals in Bosnia that they should surrender immediately.

Stabilization Force troops are authorized to arrest persons indicted as war criminals when they encounter them in the course of their duties, according to NATO commanders.

The former Bosnian Serb wartime leader, Radovan Karadzic, and former army chief, General Ratko Mladic, both indicted twice for genocide, remain at liberty. The two men are heavily guarded and NATO commanders have so far refused to risk the casualties they believe would occur in any attempt to capture the two men.

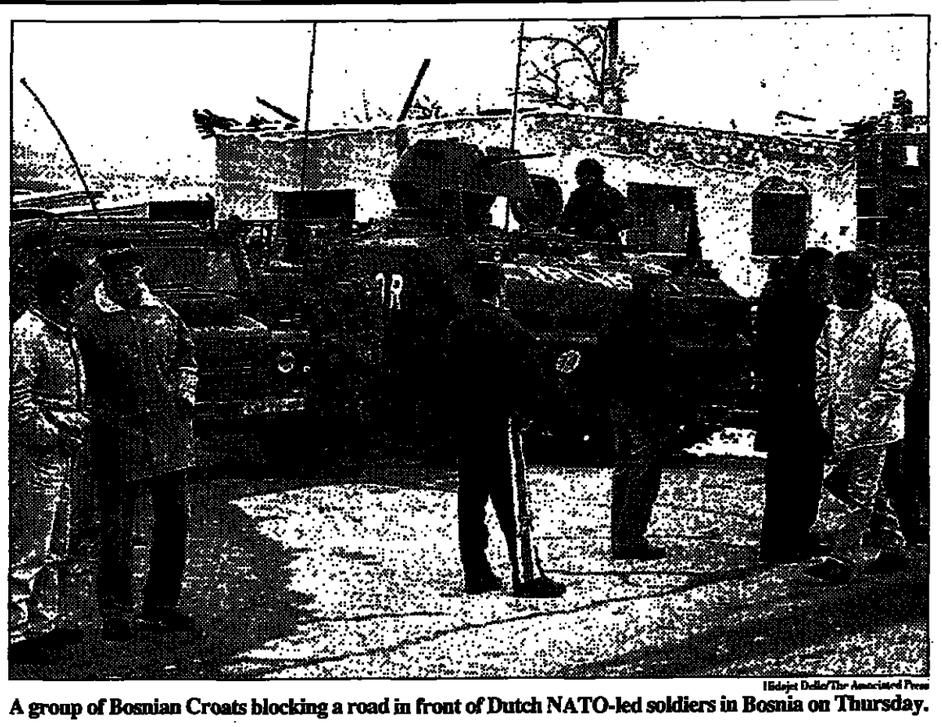
The Hague tribunal has publicly indicted 78 suspects and has issued an unknown number of sealed indictments. The court has convicted and sentenced two suspects and has 18 more, mostly Croats and Muslims, in custody. There are some 50 indicted war criminals, nearly all of them Serb, who remain at large.

Anto Furundzija, the second suspect, was arrested in Vitez without incident. He arrived in The Hague early Thursday. Mr. Furundzija is the subject of a sealed indictment and there was no immediate confirmation from The Hague of the charges against him.

Mr. Kupreskic, however, is one of the most notorious Bosnian Croat war criminals. He has been indicted, along with six other members of the Bosnian Croat HVO militia, for the murder of scores of unarmed Muslim civilians in Ahmici and eight other settlements in the Lasva Valley in April 1993.

The other six men, including two of Mr. Kupreskic's brothers, turned themselves over to the tribunal in October. Washington informed President Tudjman that it would block international loans to Croatia and cancel a military cooperation agreement unless the suspects were extradited.

The killings in the Lasva Valley were part of a Croatian campaign to drive Muslims from the area. There were at least 103 Muslim villagers, including 33 women and children, slaughtered in Ahmici alone. Most of the dwellings were dynamited into rubble by the Croats once the Muslims had been driven out of the valley.



Hidajet Dedic/The Associated Press

A group of Bosnian Croats blocking a road in front of Dutch NATO-led soldiers in Bosnia on Thursday.

Ex-Security Chief Missing in Mexico

New York Times Service

MEXICO CITY — One of Mexico's most renowned and feared political figures, a former chief of internal security, has dropped from public view, setting off widespread speculation that he has been kidnapped.

The politician, Fernando Gutierrez Barrios, 70, worked at the heart of the country's political police and intelligence system for four decades and rose to head it as interior minister for five years after 1988.

Relatives and bodyguards of Mr. Gutierrez Barrios have adamantly denied any abduction. They have said he is on vacation outside the country with his family.

But since the reports began to circulate last week that Mr. Gutierrez Barrios was seized on a Mexico City boulevard on Dec. 10, he has not come forward to dispel them, and no one in the press has been able to locate him.

Kidnapping for ransom has become increasingly common in Mexico, and it is also usual for families to issue denials when a relative has been abducted.

TROOPS: *U.S. Forces to Stay in Bosnia Beyond Clinton Deadline*

Continued from Page 1

be satisfied that it is not a bottomless pit, and that what we're doing there makes sense," he said.

On Wednesday, two leading Republican members of the Senate Armed Services Committee, Strom Thurmond of South Carolina and John Warner of Virginia, sent Mr. Clinton a letter saying that, among other things, "the European allies must do more in the overall effort."

Mr. Clinton acknowledged the contributions of the allies. The Europeans and others are providing "three times as many troops as we are, five times as much economic assistance" and had received 10 times as many refugees. But, as if in response to Senator Thurmond and Senator Warner, he said that was not enough. "The longer-term and fundamental challenge," he said, "is to make Bosnia a genuine part of Europe. And we hope the Europeans will do more."

The president listed benchmarks — worked out in "intensive consultations" involving U.S. security and intelligence officials, the allies and Congress — that NATO would have to meet to gain U.S. approval for an extended role.

He said that the plan, expected to be presented for approval by NATO members next month, would have to set concrete objectives that are "achievable"; ensure that the force has the size and equipment to protect itself; guarantee that the United States retains command; say that the Europeans "must assume their share of responsibility," argue that the cost must be "manageable" and specify that there must be "substantial support" from Congress and the American people.

The president was asked by reporters whether he could assure Americans that their troops would be out of Bosnia before his term ends in 2001.

He said that in agreeing to the earlier deadline, "I honestly believed that in 18 months we could get this done. I wasn't right, so I don't want to make that error again." To those who have complained that any attempt to bring lasting peace to Bosnia is ultimately doomed, Mr. Clinton responded: "I believe they're profoundly wrong."

He cited a list of achievements by NATO peacekeepers in the country. These included the demobilization of 350,000 soldiers and the destruction of almost 6,600 heavy weapons; the establishment of democratic institutions and the staging of free elections, the rebuilding of roads and schools and the beginnings of economic revival.

"The progress is unmistakable," Mr. Clinton said, "but it is not yet irreversible." Bosnia, he said, "remains poised on a tightrope."

Repeatedly asked about missing the June deadline, the president said the ultimate questions were these: "Did we do the right thing? Was it in our interests? Did it further our values? Are the American people less likely to be drawn into some other conflict in Europe 10, 20, 30 years from now, where the costs could be far greater, if we make this work? I think they are."

Reuters

President Bill Clinton announcing Thursday his decision on Bosnia.

BENDS: *Firm Again Delays Release of Car*

Continued from Page 1

The company's prompt withdrawal of the Smart car from its production schedule was a radical move meant to avert further damage to its image so soon after the A-class debacle, analysts said.

A quality audit of the micro-compact Smart car, built for an 81-percent-held Daimler subsidiary, discovered technical flaws in the two-seater only three months ahead of the March introduction date, Daimler officials said.

Juergen Schrempp, the Daimler chief executive, demanded a six-month delay until October to give engineers time to widen the car's wheel base, shift the vehicle's weight closer to the ground and retool the production line.

The company's unprecedented expansion into the crowded market for inexpensive hatchbacks stumbled in October when the A-class four-seater flipped over in the course of an "elk test," a maneuver meant to simulate an emergency swerve to avoid wildlife.

"Schrempp will not take risks," said one Daimler executive. "He is a no-nonsense manager. He already has seen how quickly such situations can blow up in your face."

The promotional blitz that accompanies new models has been suspended, Daimler officials said.

Mr. Schrempp, 53, once dubbed the cost-cutting "Rambo" of German managers, recently boasted that he personally will be at the wheel of a Smart car to conduct an elk test.

In-house test drivers, however, already have managed to tip over several Smart cars during "extreme driving tests," according to Nicolas Hayek, vice chairman of the Micro Compact Car joint venture between Daimler and Swiss-based Societe Suisse de Microelectronique et d'Horlogerie SA (SMH).

Conceived to foster a stylish sense of cachet with splashy colors, the Smart car also is dubbed the "Swatchmobile" because of its ties to SMH, a company best known for making trendy Swatch wristwatches. Mr. Hayek is chairman of SMH, which holds 19 percent of the joint venture.

"The most important problem with the Smart car is elk test," Mr. Hayek said in an interview. "We have to improve this and we are doing this." Other problems include the need to upgrade some of the 5,000 parts used in the car, Mr. Hayek said.

The enduring crisis over Daimler's compact cars claimed its first career casualties. At a Thursday board meeting, Johann Tomforde was removed from his job as head of the Smart car's development and production, according to a statement issued by the joint venture. No replacement has been named.

Daimler said the A-class delay would cut 1997 operating profit by 100 million Deutsche marks ($56 million) and 1998 results by 200 million DM.

On Thursday, the company said the delays with the Smart car will cost it 300 million DM, a figure that includes reimbursements to dealers.

Daimler, Germany's biggest industrial group, also announced Thursday that its 1997 sales rose more than 13 percent from a year earlier to a record 120 billion DM, the biggest percentage rise this decade.

EUROPE: *Asia Puts Damper on Recovery*

Continued from Page 1

is still overwhelmingly export-led, this sector of the economy could be hit by a drop in demand not only from export markets in Asia, but also from less spending by emerging markets in Eastern Europe and Latin America, which have reduced demand by raising interest rates in response to the Asian crisis.

"What is creating new uncertainty," said Eric Chaney, a former French Treasury official who is now chief economist of Morgan Stanley in Paris, "is the Asian crisis, which I take very seriously."

Mr. Chaney said Morgan Stanley had cut its 1998 growth forecast for Western Europe to 2.7 percent from 3.1 percent because of a drop in Asia's demand for European goods and the loss of competitiveness on the part of European producers to Asian exporters that are gaining from cheaper currencies.

Apart from the Asian crisis, doubts are growing about both business and consumer confidence in key economies, such as Germany and France.

In Germany, business confidence fell for the second straight month in November, as fears grew about the way the Asian crisis could hit export growth next year.

In France, uncertainty created by plans for legislation introducing a 35-hour working week by the year 2000 was said by analysts to be forcing companies to put off major new investment decisions.

"What I am worried about," said Patrick Artus, chief economist at the French government's Caisse des Depots & Consignations, "is that while we really had an acceleration of growth between May and September, with a real recovery in investments, it might prove to have been a very short-lived cycle."

Mr. Artus, like other economists, said that across Europe the Asian crisis would probably shave half a percentage point off the expected revival. But he said that "in France economic policies play a clearly negative role" as far as investment is concerned.

"French companies are already more sensitive to maximizing value for shareholders, and so they will try to employ less capital," Mr. Artus said. "But the main reaction to the idea of a 35-hour week is that companies will spend more of their capital investment on technology aimed at modernizing and increasing productivity and less on capacity expansion. So we are probably looking at the kind of investments that destroy rather than create jobs."

The one hope shared by nearly all economists is that central banks will take into account the Asian crisis and the still tentative level of consumer confidence and keep interest rates low into 1998.

Previous forecasts had called for a rise in German and French interest rates in the spring of 1998 and a decline in Italian and Spanish rates so as to achieve a "blended" level of interest rates of about 4 percent before the launch of the euro.

Now, with inflation in most major European economies at 2 percent or less, analysts think that interest rates will not be raised for the next few months. "We are revising our interest-rate forecasts," Mr. Walter said. "We were expecting something like a half percentage point increase in interest rates for core European countries, but now we think that rates will be left at the same level, between 3.25 percent and 3.50 percent."

The prospect of modest growth is bad news for Europe's 18 million unemployed. Even a 3 percent growth rate in 1998 would not make much of a dent in the persisting jobs crisis, economists say. Unemployment is now at an 11.1 percent European average rate.

Germany is also entering an election year, which most analysts suggest will hold up any significant welfare or labor-market reforms. "I don't see such reforms before next autumn's elections," Mr. Walter said. "We will move at German speed, which is a snail's pace."

In New York, Carl Weinberg of High Frequency Economics said that it was not so much the Asian crisis that led him to forecast growth of not more than 2.5 percent in 1998.

Mr. Weinberg said: "Europe is shackled by its own stodgy labor-market practices, and that is why Europe is not going to grow by more than 2.5 percent next year. What is wrong with Europe is not a cheap Korean won. It is that people won't invest because they don't want to undertake the commitment to hire new labor because of the high costs of hiring, firing and maintaining labor."

STUCK: *South Korean Commerce Dries Up as Confidence Fails*

Continued from Page 1

exporters whose business should be booming. Each sale in U.S. dollars now earns far more Korean won than it would have earlier this year, so that exporters can cut prices and still earn bigger profits. But with the breakdown of the trade finance and credit networks, exporters are finding that they cannot take advantage of their new competitiveness.

"It's very bad," said Jack J. C. Park, a sales manager at Sam Won Corp., which exports a wide variety of goods including inner tubes and hair dryers. "Money has to flow in an economy, but now it's stuck. It doesn't move."

"People aren't getting paid by customers," he said. "And even if they have land or buildings, they can't sell them. And they can't borrow from banks, because the banks have no money. Many good companies are going bankrupt because the money doesn't flow."

If export companies are having difficulties, then the crisis is incomparably worse among importers. Imports now cost almost twice what they did a few months ago, and trading companies accustomed to opening a letter of credit with a telephone call are finding that they have to visit the bank and bring cash in advance.

"Our customers have canceled all our orders this month, except for a few critical items," said Kim Young Tae, a manager at Hong Jin Trading Co., which imports technical materials for the steel industry. "If the situation goes on like this, we'll have to fire some of our employees."

International banks do not trust South Korean banks and so have been reluctant to roll over loans or to arrange trade transactions. Foreign investors feel they have been lied to so many times by South Korean authorities that they are afraid of new minefields in the coming weeks.

"Credibility is the most important factor at the moment," said Lee Won Il, head of research at KEB Smith Barney Securities. "At the moment, no one really believes the government any more, and no one has any idea about the economic blueprint of the next president."

The stock market is a good gauge of the mood, and it has hovered at a 10-year low, rising over the last few days in hopes, no matter how tentative, that the worst might be over. Many people think that prices are at bargain levels now, but corporate disclosure is poor and so it is difficult for investors to know whether they are getting a bargain or a company that is going bankrupt.

Most South Korean exporters relied on complex mechanisms that allowed them to get payment from a bank as soon as they shipped their goods, before the buyer paid by letter of credit or other means. Now the banks are shrinking their loan portfolios, and companies are finding that they cannot get financing.

"In the past, we knew exactly when we could get funds and we could plan how best to use that money," said Kent Choi, an assistant manager at Cho Yang Hwa Sung Co., which exports petrochemical products. "But now we can't get funds when we need them."

Without financing, companies are finding it very difficult to import the raw materials they need or to pay their suppliers on time. Many companies say they hope to take advantage of a cheaper exchange rate and bolster exports next year. But many emphasize that the rising prices of imported raw materials make it hard to benefit from the cheaper currency.

BEEF: *EU Threatens to Ban U.S. Imports Over Policing of Antibiotics and Hormones*

Continued from Page 1

meat from Europe "to protect human and animal health, to protect the security of our export markets and to protect the safety and integrity of our food supply."

A commission spokesman, Gerry Kiely, retorted that the ban was "disproportionate" and "not well founded."

The EU still is threatening to ban $4.5 billion in tallow and gelatin imports from the United States because of the "mad cow" risk. These products, widely used in the cosmetics and pharmaceutical industries, are made by boiling animal carcasses, including parts that recent scientific research indicates are likely vectors of the disease.

Washington has described the proposed ban, which has been put off at least until April, as protectionist. There has never been a U.S. case of the disease.

In its ban last week of some EU meat imports, the Agriculture Department made an exception for tallow, and it said gelatin imports would remain under the control of the Food and Drug Administration.

Bovine spongiform encephalopathy, or BSE, is transmitted primarily through cattle feed containing material from infected animals. Scientists say they believe the disease can be transmitted to humans as a new variant of Creutzfeldt-Jakob disease, an incurable and fatal brain affliction. The disease is caused by a little-understood agent called a prion. Scientists on both sides of the Atlantic are concerned that consequences could be devastating if it became endemic among humans.

The EU's scientific steering committee recommended stricter controls this month on the sale of meat, including a ban on meat sold on the bone, such as T-bone steaks, and on a variety of mutton products. Sheep suffer from a related disease called scrapie.

Britain banned sales of beef on the bone this month after a scientific committee said that BSE possibly could be transmitted through bone and marrow.

Britain will also prohibit a wide range of meat products from its EU neighbors as of Jan. 1 because of a possible disease risk. The ban will not affect imports of meat on the bone provided it is deboned before sale to the public. After suffering the world's worst outbreak of "mad cow" disease, with thousands of reported cases, Britain says its procedures are now safe because it excludes animals more than 30 months old — those most at risk of the disease — from the food chain.

The EU banned global exports of British beef last year after scientific evidence that mysterious cases of Creuzfeldt-Jakob disease among young adults had been caused by eating infected meat. Britain has reported a score of such cases, but the long-term consequences are unknown because, like "mad cow" disease, Creuzfeldt-Jakob has a long incubation period.

The World Trade Organization ruled in favor of the United States and Canada this year over their complaints about a 1989 EU prohibition of meat imports containing hormones. The global trade body said the ban was unjustified on scientific grounds. The commission has appealed the ruling and says it will continue to bar hormone-laced meat even if it loses the case. The WTO was expected to rule on the appeal next month.

Hormones are used to accelerate growth, but EU experts say they are possible carcinogens.

The Department of Agriculture forecast record livestock and poultry exports next year, totaling $11.4 billion, with the European Union the second-largest market after Japan.

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Kia Motors Soldiers On After Failure

By Don Kirk
Special to the Herald Tribune

ASAN BAY, South Korea — The long line bearing frames of Kia Motors Corp.'s latest car model quietly stopped, and assembly-line workers began playing table tennis, opening up newspapers and chatting with each other.

"The line is going half speed," said Dan Dong Ho, a general manager at the company's largest production facility, a modern complex capable of producing 650,000 cars a year. "That's because the Korean situation is very bad. If the Korean market is better, the line speed is better."

The dilemma at the unit of Kia Group, one of the first major South Korean conglomerates, or *chaebol*, to go into receivership and near-bankruptcy, mirrored that of a range of domestic industries and financial institutions — and indeed that of the entire nation — in an era of crippling debts and supervision by the International Monetary Fund.

Although the Fund wants to impose a kind of discipline that shuts down money-losing companies, most of the chaebol are struggling to stay alive and afloat in the same do-or-die spirit that elevated South Korea to economic success after the devastation of the Korean War.

Kia serves as a symbol of the myriad financial and economic dilemmas to be faced by the incoming government of President Kim Dae Jung, who was elected Thursday, as it tries to balance the need to save jobs and even entire industries against the necessity of restructuring and opening up the nation's economy for the era of international competition.

Kia Motors, often dismissed as barely alive amid mounting debts and pessimistic forecasts for the auto industry, keeps right on humming — albeit at a speed that raises daily alarms about its viability — five months after it was put into receivership.

Paul Barker/Reuters
A Kia Motors worker checking engine parts for the struggling carmaker.

In this huge complex, built on reclaimed land by a natural port, the evidence of Kia's profligate investment as well as its will to succeed is apparent. Robots do more than 90 percent of the work once expected of humans in some of the individual plants, including one producing engines for all Kia vehicles.

Kia Motors executives cite an Economist Intelligence Unit survey this year that judged the automaker the world's fourth most efficient — after the Japanese giants Honda Motor Co., Toyota Motor Corp. and Nissan Motor Co. — in terms of work accomplished per employee.

Intermittent stoppage of the assembly line, carrying the Shuma, a sedan that Kia unveiled just last week, is commonplace in this period of tight money and an increasingly sluggish domestic market.

For Kia Motors, the fact that the assembly lines are moving at all may be a miracle — and yet company executives and managers talk of expanding production into the next century.

"Our major investment in infrastructure was completed two years ago," said Um Sung Yong, a director at the

See KIA, Page 17

Record Exports Cut U.S. Trade Gap

But Deficit With Japan Soars, a Sign That Asia Crisis Hurts America

Compiled by Our Staff From Dispatches

WASHINGTON — America's trade deficit with the rest of the world narrowed sharply in October, to $9.7 billion, as a record level of exports helped to offset a relentless climb in imports.

But in an ominous sign, the U.S. deficit with Japan soared to the highest level in two and a half years. Analysts are forecasting increased deficits with all Asian countries next year as the U.S. economy feels the effects of the financial turmoil that has engulfed the region.

The Commerce Department report Thursday showed that the overall trade deficit fell 13.7 percent from the September figure of $11.3 billion.

Even with the improvement, the trade deficit through the first 10 months of this year is running at an annual rate of $114 billion, compared with the $111 billion imbalance for all of last year.

Economists are predicting an even bigger deficit for 1998 as Asian imports flood the country, made suddenly cheaper because of the sharp currency devaluations that have occurred in Asia.

A rising U.S. trade deficit is expected to be the main adverse impact felt in the United States by the economic turmoil that has forced South Korea, Indonesia and Thailand to turn to the International Monetary Fund for huge loan guarantees to stabilize their economies.

Forecasters say Asia's problems could cut economic growth in the United States by one-half of a percentage point or more next year.

Cynthia Latta, an economist at DRI-McGraw Hill Inc., said, "The depreciation of the Asian currencies means their goods are going to be available here at fire-sale prices, while our exports will be hurt because our products will be more expensive, and their economies are slowing."

In a separate report Thursday, the Labor Department said weekly applications for unemployment benefits rose by 5,000 last week, to a seasonally adjusted 319,000. The increase was in line with expectations, but analysts said the job market remained tight. Unemployment in the United States is currently at a 24-year low of 4.6 percent.

America's growing trade gap has caused political headaches for President Bill Clinton, contributing to protectionist pressures that last month helped derail his effort to win renewed trade negotiating authority from Congress.

To moderate the rising deficits, the White House has been urging Japan to do more to stimulate domestic demand, rather than rely on increased sales to the United States.

Meanwhile in Japan, the Finance Ministry said the country's trade surplus in November widened 58.7 percent from a year earlier, to 1.06 trillion yen ($8.31 billion), the eighth consecutive rise.

Exports in the month rose 6.4 percent from a year earlier, to 4.22 trillion yen, while imports dropped 4.2 percent, to 3.16 trillion yen, the ministry said.

Imports dropped for the first time in 43 months, while exports extended their rise for the 28th consecutive month.

For October, the U.S. deficit with Japan rose 14.3 percent, to $5.87 billion, the worst showing since April 1995.

The deficit with China, which set a record in September, narrowed 5.9 percent in October, to $5.2 billion, as U.S. exports climbed to a record $1.4 billion with increased sales of soybeans and commercial aircraft. *(AP, AFP)*

Thai Bank Chief Says It's Not Over Yet

By Thomas Crampton
International Herald Tribune

BANGKOK — Many Southeast Asian currencies strengthened against the dollar for the second day running Thursday, but the governor of Thailand's central bank warned that it was premature to say storm clouds had cleared from the region's markets.

"Stability for two days? You do not call this stability," Chaiyawat Wibulswasdi, governor of the Bank of Thailand, said in an interview.

An appearance by President Suharto of Indonesia, which eased concern about his health, lifted the Indonesian rupiah by 12 percent in early trading Thursday. The currency, which had plunged 20 percent last week on speculation that he was ill, finished the day at 5,205 to the dollar, a gain of 5 percent.

The currencies of Malaysia, Singapore and the Philippines also improved.

The baht surged 11 percent, to a twelve-day high of 42.55 baht per dollar following the central bank's announcement of a better-than-expected improvement of Thailand's current-account deficit. The baht gave up some of its gains later in the day, finishing up 5 percent, at 44.15 to the dollar.

Despite this positive note, Thailand's central bank governor warned that a further weakening of Asia's currencies would have global repercussions, and he urged the United States and Europe to consider getting more involved in limiting the regional crisis.

"The problem we are facing is beyond our expectations, and the sentiment of the market players is too pessimistic," Mr. Chaiyawat said. "Let's hope that the situation does not worsen, because if that happens it is going to be very difficult for the countries in the region to handle it, and it will have repercussions on a worldwide basis."

AFP
Chaiyawat Wibulswasdi, chief of Thai central bank, urges the West to play bigger role in Asia's crisis.

Mr. Chaiyawat said that by the end of the year, the amount of nonperforming loans held by Thai banks would likely reach 16 percent, double the level of six months earlier.

He also said he would like to further tighten the definition of nonperforming loans to three months of nonpayment of interest. As of Jan. 1, rules defining nonperforming loans will be tightened to six months from the current 12 months of nonpayment of interest, so Mr. Chaiyawat said a further tightening might have to wait as long as three years.

"It will not be done immediately," he said, "but it will strengthen the assessment of asset quality in the financial sector, and it is better to show the truer picture of the Thai economy."

Mr. Chaiyawat said that while the situation for Thailand was bad, international markets were being too negative. While inflation stood at 7.6 percent in November, this was modest considering how much the baht had fallen, he said.

But he added that the inflation rate could hit double digits within seven months, and said the economy would probably not grow for two years, and could actually contract.

"We have to find a balance between the reduction of the current-account" deficit and avoiding a recession, he said.

Just a year after Thailand posted one of the world's worst current-account deficits, the plunge of the baht since July 2 has virtually halted imports, sharply improving the current-account, which is the largest measure of trade.

Thailand's current-account deficit, which last year stood at a $14 billion, or about 8 percent of gross domestic product, will fall this year as the monthly figure has been a surplus since October, Mr. Chaiyawat said.

"For this year, we do not expect the current-account deficit to exceed $5 billion, or about three percent of GDP," Mr. Chaiyawat said. "This is a remarkable improvement."

Mr. Chaiyawat declined to comment on recent criticism that the central bank allowed hard-currency reserves to dwindle and spent 450 billion baht to back 58 ailing finance companies, most of which were later declared insolvent.

■ Finance Executives Charged

The central bank said Thursday that it had filed embezzlement charges against top executives of one of the 56 insolvent finance companies closed by the government last week, The Associated Press reported.

The police were asked to freeze the assets of the Chao Phaya Finance & Securities Co. executives and bar them from leaving Thailand.

The Bank of Thailand declined to release the names or number of executives accused or say how much money was involved.

CYBERSCAPE

Dreaming of an On-Line Christmas?

By Victoria Shannon
International Herald Tribune

PARIS — Go for it. Buy something on-line this holiday season just for the thrill of it, and prove to yourself that your worst fears are completely unjustified.

This is, the experts say, the Year of the On-line Shopper — finally, enough merchants, security and Internet users to make up a critical mass. Choice, price and value are served up this Christmas, Hanukkah and Kwanza for those willing to blaze the trail.

I have never done a whole season of Christmas shopping on-line as I probably will do this year, but I have bought more than a handful of products digitally in the past year or so. My experience has been no worse than any mail-order encounter — and sometimes better.

Last Noel, for example, I ordered on-line a miniature pinball-type toy from a well-known chain as a gift, and it was disappointingly smaller and chintzier than the image I had seen on America Online. But I likely would have had the same experience buying out of a catalogue.

Conversely, I sent my mother and sister bonsai plants for Mother's Day this year from an AOL vendor, and my mother ended up with two for the price of one. Another mistake — gratefully, in my favor — that could have been duplicated via mail order.

Granted, I'm probably more trusting on the Internet than your average consumer — I register for every free trial and free download that I come across on the Internet. But as open as I've been, I don't think I've suffered financially for it.

So to get your mouse finger limbered up, here are a few useful areas to cruise before you type in your credit card number and send it on its merry way across the Net.

Be prepared, though, to spend at least a full evening at your cybershopping adventure. Besides comparison shopping, you'll get easily distracted with all the interesting links you'll run into.

• If you can't bring yourself to take the plunge, there's always a digital greeting card. While you can find scores on any search engine, there's a compact collection at www.yahoo.com (follow links to holiday-related pages from the home page). Most of the cards are free, many are well done; some are complicated to use.

Of course, there also are lots of sites that are taking letters to Santa Claus this year. Look for ones that send a "personalized" reply. And a multiple-choice "what I want for Christmas" list is available to be e-mailed to your favorite gift-givers at kumo.swcp.com/Santa (that's correct; no "www" at the beginning).

• Still hesitant to fork over that MasterCard number? Read up on what a traditional off-line expert says about nontraditional on-line purchases: The Better Business Bureau has advice at www.bbb.org/library/cybershop.html. PC Magazine has its own take at www.zdnet.com/pcmag/features/e-comm_sites/sb2.htm.

• Here are a couple of places that aspire to make you a smarter consumer. These sites help you evaluate where you're shopping (www.bizrate.com), what you're buying (www.productreviewnet.com) and how much it costs (www.compare.net).

• Computer items, books and music CDs are among the easiest items to buy on-line; there are scads of World Wide Web sites for such items, and they are very competitive in price and selection.

Harder — and more important, I think — is making clever gift decisions for children, especially if you don't have any yourself. Try these two sites for some guidance: Dr. Toy at www.drtoy.com/drtoy/index.html and Newsweek's Parent's Guide to Children's Software at www.newsweekparentsguide.com.

A well-rounded self-starting shopping guide is offered by Visa at shopguide.yahoo.com (no www. at the beginning). Or you can access America Online's retail mania through the keyword "shopping." The other consumer on-line services have lots of options too.

• Here's one of your last stops: the delivery services. Federal Express Corp. (www.fedex.com) set the standard, and United Parcel Service of America Inc. (www.ups.com) has joined in — both allow you to track the progress of your goods if you have the shipment number.

• Time to get truly adventurous and try an on-line auction. At these sites, you compete against your fellow netizens making on-line bids for new, top-flight retail merchandise: www.zauction.com and www.onsale.com are two of them.

It's awfully tempting when you see that the latest high bid for a $2,000 digital video camera is only at about $500 — at least for now. I don't have enough experience at these to know if you can ever get a good deal from this setup, but it's fun to try and watch.

Likewise, it should be fun to make an experimental holiday purchase on the Web. If you can't bring yourself to do it now, at least take a gander at some of the on-line arenas for future use. There's always Valentine's Day.

Victoria Shannon can be e-mailed at VShannon on America Online, CompuServe, MSN and Prodigy.

Clinton Works the Phone on Asia Crisis

By David E. Sanger
New York Times Service

WASHINGTON — As Asia's financial crisis has deepened, President Bill Clinton has become personally involved in the effort to persuade Asian leaders to follow American-designed plans to stabilize their economies.

In a blitz of phone calls, he has underscored the risks of much broader trouble for the world economy if they fail to act, American and Asian officials say.

On Nov. 27, for example, Mr. Clinton called Kim Young Sam, the departing president of South Korea, to argue that time had run out on negotiations over the terms of a bailout from the International Monetary Fund. In the days leading up to the call, South Korea's banking system seemed just days away from insolvency, and the president's economic advisers said that failures in the world's 11th-largest economy could resonate in Japan and around the globe.

After several more efforts to ease the Fund's terms, Mr. Kim's government reluctantly reached agreement. But a Seoul official said some in the government "resented the use of presidential pressure," especially because they believed — largely accurately — that some of the toughest elements of the economic prescription were drafted by the U.S. treasury secretary, Robert Rubin.

Mr. Clinton's intervention with Mr. Kim and Prime Minister Ryutaro Hashimoto of Japan carries political risks. It is far from clear that the American-designed approach to economic revival will succeed. Even if it does, Mr. Clinton's intercession could let Korean labor unions, laid-off Thais and Tokyo politicians blame Washington for their pain.

A growing number of critics in the United States and across Asia argue that the IMF is not only acting at Washington's bidding but that it is protecting foreign investors, including many American banks and businesses, that made foolish investments in Asia. Some say that the prescriptions the Fund is enforcing in South Korea, Thailand and Indonesia will squeeze the growth out of those countries, touch off unemployment and risk social unrest.

The White House never disclosed Mr. Clinton's phone call to Mr. Kim, in itself a telling sign. While the administration has been eager to announce meeting after meeting related to the Iraq crisis, in hopes that the attention will frighten Saddam Hussein, it has been loath to reveal presidential involvement in the Asian financial crisis.

"The worry," a White House official said, "is that the mere announcement that the president was meeting his advisers about Asia would drive the markets crazy, and that's exactly what we are trying to avoid."

Both American and Asian officials say Mr. Clinton has increasingly been swept in. His role expanded as South Korea began to falter, and Mr. Rubin and his deputy, Lawrence Summers, argued that failure to stop the Asian panic in Seoul could threaten Japanese banks and, eventually, reach America.

Mr. Clinton has had a rocky relationship with Mr. Kim, especially in the 1994 crisis involving a suspected North Korean nuclear weapons program. But Mr. Clinton had an advantage: Washington holds tremendous sway over the IMF and could block any rescue package. In fact, the negotiations dragged on for

See LOBBY, Page 17

Wal-Mart Moves Into Europe

Biggest U.S. Retailer to Buy Wertkauf, a Chain in Germany

Compiled by Our Staff From Dispatches

FRANKFURT — Wal-Mart Stores Inc. said Thursday it would buy Germany's 21-unit Wertkauf hypermarket chain, marking the European debut of America's biggest retailer.

Wal-Mart would not disclose financial information about the purchase from the Mann family, but it said it expected to complete the purchase this month. The stores have annual sales of 2.5 billion Deutsche marks ($1.41 billion), making Wertkauf the 15th-largest food retailer in Germany, according to the British consulting firm Corporate Intelligence on Retailing.

Bob Martin, president and chief executive officer of Wal-Mart International, said in a statement that Wal-Mart had been looking for "some time" for the right opportunity to enter Europe, specifically Germany, Europe's largest retail market.

"Wertkauf matched the criteria necessary for the successful introduction of the Wal-Mart concept into the German market," he said. Wertkauf's stores, centered in central and southern Germany, are similar to Wal-Marts, combining food, clothing and other dry goods, the company said.

But German retail sales have fallen in four of the past five years, plagued by poor consumer demand and restrictive zoning that makes it hard to build new stores, especially big ones. The value-added tax will rise to 16 percent from 15 percent in April, clouding the 1998 outlook. Limited shopping hours, extended a year ago only to 8 P.M. on weekdays and 4 P.M. most Saturdays, have driven other foreign companies away.

"Wal-Mart is not used to being No. 15," said Robert Clark, a consultant with Corporate Intelligence in London.

The problems, though, could make Germany more attractive to Wal-Mart because its efficiency and buying power will give it a significant competitive advantage, said Peter Brown, managing director of Kurt Salmon Associates Europe, which advises retail companies.

"Wal-Mart is a very strategic, long-term player," Mr. Brown said. "It's almost opportunistic for them to come in when the others are focused on short-term problems."

Wal-Mart shares closed 50 cents lower at $39.56 on Thursday on the New York Stock Exchange. *(Bloomberg, AP)*

CURRENCY & INTEREST RATES

Cross Rates

Dec. 18

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.998	3.3155	1.1272	0.3346	0.1148*	—	5.4425*	1.3909	1.5561*	1.403	1.3315*
Brussels	36.57	60.82	20.6335	6.141	2.1833*	18.3085	—	25.44	0.2863	25.68	24.39*
Frankfurt	1.7755	2.938	—	0.2986	0.1019*	0.8872	4.8462*	1.2236	1.386*	1.248	1.1812*
London (a)	1.6487	—	2.9436	9.8556	2,889.87	3.3176	60.7257	2.3853	213.289	2.3653	249.2296
Madrid	150.226	249.135	84.668	25.282	8.625*	75.121	4.1034	104.432	117.346*	105.629	—
Milan	1,739.80	2,880.08	981.88	292.86	—	870.05	47.56	1,208.20	13.63	1,223.58	11.57
New York (b)	—	1.6655a	1.7745	5.9465	1,744.86	2.0015	36.64	1.4375	128.46	1.4265	150.265
Paris	5.942	9.854	3.349	—	0.3412*	2.9713	0.1623	4.1387	4.6405*	4.1781	3.9545*
Tokyo	127.45	210.27	71.48	21.41	0.731	63.65	3.4756	88.63	—	89.46	0.847
Toronto	1.4259	2.3723	0.8032	0.2399	0.0818*	0.7131	0.3893*	0.9916	1.1076*	—	0.949*
Zurich	1.4385	2.397	0.8094	0.2418	0.0825*	0.7193	3.9263*	—	1.1177*	1.0095	0.9564*
ECU	1.1128	0.671	1.9744	6.612	1,938.20	2.2253	40.7383	1.6087	142.456	1.5886	167.193
SDR	1.3563	0.8179	2.4078	8.058	2,355.70	2.7119	49.684	1.9528	17.767	1.9366	203.754

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	279.45	Mex. peso	8.05	S. Afr. rand	4.8525
Australian $	1.5083	Hong Kong $	7.7475	N. Zealand $	1.7021	S. Kor. won	1480.0
Austrian sch.	12.487	Hung. forint	200.34	Norw. krone	7.2415	Swed. krona	7.7365
Brazil real	1.1129	Indian rupee	39.24	Phil. peso	39.30	Taiwan $	32.18
Chinese yuan	8.31	Indo. rupiah	5205.0	Polish zloty	3.49	Thai baht	44.15
Czech koruna	34.12	Irish £	0.6983	Port. escudo	181.41	Turkish lira	199830.
Danish krone	6.7620	Israeli shek.	3.5401	Russ. ruble	5943.0	UAE dirham	3.671
Egypt. pound	3.4033	Kuw. dinar	0.3051	Saudi riyal	3.75	Venez. boliv.	502.25
Fin. markka	5.3546	Malay. ring.	3.7945	Sing. $	1.6712		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6550	1.6527	1.6503	Japanese yen	127.51	126.81	126.24
Canadian dollar	1.4208	1.4195	1.4185	Swiss franc	1.4397	1.4392	1.4387
Deutsche mark	1.7717	1.7686	1.7658				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 3/4	3 9/16 - 3 3/4	1 3/8 - 1 1/2	7 3/8 - 7 1/2	3 7/16 - 3 9/16	7/8 - 1 1/8	4 1/2 - 4 5/8
3-month	5 3/4 - 5 13/16	3 11/16 - 3 13/16	1 9/16 - 1 11/16	7 9/16 - 7 11/16	3 9/16 - 3 11/16	7/8 - 1	4 9/16 - 4 11/16
6-month	5 3/4 - 5 15/16	3 3/4 - 3 7/8	1 5/8 - 1 3/4	7 5/8 - 7 3/4	3 5/8 - 3 3/4	7/8 - 1	4 5/8 - 4 3/4
1-year	5 15/16 - 6	3 15/16 - 4	1 3/4 - 1 7/8	7 5/8 - 7 3/4	3 3/4 - 3 7/8	3/4 - 7/8	4 3/4 - 4 7/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 9/16	5 1/2
90-day CDs dealers	5.82	5.80
180-day CP dealers	5.58	5.58
3-month Treasury bill	5.10	5.10
1-year Treasury bill	5.20	5.21
2-year Treasury bill	5.66	5.68
5-year Treasury note	5.72	5.76
7-year Treasury note	5.73	5.78
10-year Treasury note	5.75	5.80
30-year Treasury bond	5.93	5.99
Merrill Lynch 30-day RA	5.12	5.18
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.32
1-month interbank	1.00	0.95
3-month interbank	1.00	0.92
6-month interbank	0.92	0.92
10-year Govt bond	1.91	1.97
Germany		
Lombard rate	4.50	4.50
Call money	3.37	3.37
1-month interbank	3.75	3.75
3-month interbank	3.76	3.76
6-month interbank	3.86	3.86
10-year Bund	5.27	5.31
Britain		
Bank base rate	7 1/4	7 1/4
Call money	7 9/16	7 9/16
1-month interbank	7 7/16	7 7/16
3-month interbank	7 5/8	7 5/8
6-month interbank	7 11/16	7 11/16
10-year Gilt	6.29	6.31
France		
Intervention rate	3.30	3.30
Call money	3 1/4	3 1/4
1-month interbank	3 7/16	3 1/2
3-month interbank	3 9/16	3 1/2
6-month interbank	3 11/16	3 11/16
10-year OAT	5.27	5.31

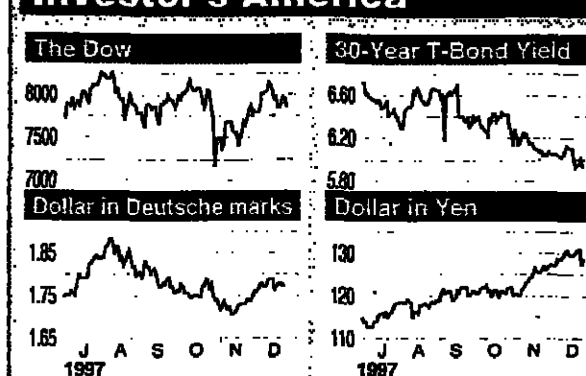
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	289.65	+1.40
London	287.05	290.00	+2.15
New York	288.00	289.20	—1.90

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

Investor's America



Exchange	Index	Thursday @4P.M.	Prev. Close	% Change
U.S.	The Dow	7846.50	7957.41	-1.39
U.S.	S&P 500	955.30	965.54	-1.06
U.S.	S&P 100	454.52	460.50	-1.30
U.S.	NYSE Composite	501.49	506.39	-0.97
U.S.	Nasdaq Composite	1523.19	1547.38	-1.56
U.S.	AMEX Composite	664.87	671.28	-0.95
Toronto	TSE Index	6594.90	6622.90	-0.41
São Paulo	Bovespa	9480.03	9853.60	-3.79
Mexico City	Bolsa	5040.31	5107.09	-1.30
Buenos Aires	Merval	655.89	667.29	-1.72
Santiago	IPSA General	4754.95	4787.16	-0.69
Caracas	Capital General	8499.04	8497.09	+0.02

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **The U.S. Air Force** postponed until Monday an announcement regarding who would win a $4.5 billion contract to manage its fleet of intercontinental ballistic missiles: a team lead by **TRW Inc.** or one led by **Alliant Techsystems Inc.** Separately, TRW said it had abandoned its Odyssey satellite-phone project and was shifting support to its chief rival, **ICO Global Communications.**

• **Corel Corp.**, the Ottawa-based software company, said it expected to report a larger-than-expected fourth-quarter loss of $95 million because of plummeting sales.

• **VNU NV**, the Dutch publisher, said it had agreed to buy **ITT World Directories**, a phone-book concern, from the Los Angeles-based hotel operator **Starwood Lodging Trust** for $2.1 billion.

• **Citicorp** said it would buy **AT&T Corp.**'s Universal credit-card business for $3.5 billion in cash, extending its lead as the nation's largest credit-card issuer.

• **The Federal Aviation Administration** warned **Boeing Co.** that conditions for quality-control checks of its jetliners were "out of control" at times this year as the company sought to step up production, according to memos released by the agency.

Bloomberg, AP, WP

58 Charged in Penny-Stock Fraud

Bloomberg News

NEW YORK — The U.S. Securities and Exchange Commission charged 58 defendants Thursday with penny-stock manipulation in one of the largest stock fraud cases ever.

The civil suits, filed in New York and Salt Lake City, Utah, allege that penny-stock promoters and officials of small, publicly traded companies bribed brokers to get them to sell the companies' stocks to customers. The commission, which says the defendants made more than $3.3 million illegally, is seeking millions of dollars from them as well as a court order blocking them from continuing their operations.

Kodak Adds 6,600 More to Job Cuts List

Compiled by Our Staff From Dispatches

ROCHESTER, New York — Eastman Kodak Co. said Thursday it would cut another 6,600 jobs in addition to the 10,000 dismissals it announced last month as part of a broad restructuring aimed at increasing profits and lifting the company's stock price.

The photographic products company expects the restructuring to save $1 billion annually.

The job cuts, which combined with other staff reductions will total 19,900 by the end of 1999, underscore Kodak's failure to develop high-technology products to push the 113-year-old company into the digital age, analysts said.

Kodak also has been engaged in a price war with Fuji Photo Film of Japan that intensified last summer when Fuji slashed color-film prices by as much as 30 percent in the United States.

In all, Kodak expects a 25 percent slide in profits this year.

Kodak's board said it would charge $1.5 billion against earnings for restructuring and revaluing certain assets. About half of the charge represents separation payments to be made to departing employees. About 8,700 of the jobs lost will be in the United States, and 11,200 elsewhere around the world.

While the original announcement was met with disappointment on Wall Street, the news Thursday sent the company's stock up more than 5 percent in early trading on the New York Stock Exchange. It closed up $1.50 on Thursday at $58.

(AP, Bloomberg)

Profit Worries Weigh on Shares

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell for a second day amid concern that the economic turmoil in Asia will slow growth in the U.S. and abroad, crimping profits of companies that derive much of their earnings from overseas.

The Dow Jones industrial average fell 110.91 points Thursday to close at 7,846.50, with declining issues outnumbering advancing ones by a 2-to-1 ratio on the New York Stock Exchange.

Other market indexes also finished lower. The Standard & Poor's 500-stock index fell 10.24 points to close at 955.30, and the Nasdaq Composite Index fell 24.19 points to close at 1,523.19.

"Stocks are falling because of continuing concern about everything," said Stanley Nabi of Wood Struthers & Winthrop Management Corp. in New York. "How serious will the situation in Southeast Asia become? Will Japan straighten out its economy? Will U.S. companies be penalized by slowing growth internationally?"

Bank shares were lower as investors registered concern that the turmoil in Asia would hurt earnings overseas. J.P. Morgan & Co. led

U.S. STOCKS

the Dow losers, and Bankers Trust New York shares fell as much as 5 percent amid concerns fourth-quarter earnings will fall short of expectations because of trading losses and lower gains from their private equity investments.

Aetna tumbled as much as 15 percent as the departure of a senior financial executive suggested to some analysts that the health insurance company may have difficulty meeting earnings estimates.

Technology shares continued their downward trend. Plexus shares tumbled after the electronics company said earnings would fall short of expectations in its first financial quarter because some customers are delaying orders.

Iomega shares fell after the company said its new Jaz 2GB disk drives, scheduled for shipment in the fourth quarter, would be delayed until the first quarter of 1998.

Broderbund Software fell after the entertainment and educational software maker said fiscal first-quarter earnings rose 19 percent, buoyed by strong sales of its new Riven software game.

Bond prices rose as investors interpreted a Federal Reserve Board report showing a slump in manufacturing in the Philadelphia region as early evidence that Asia's economic turmoil may be slowing U.S. growth, traders said.

The price of the benchmark 30-year Treasury bond rose 26/32, or $8.13 per $1,000 bond, pushing its yield down 6 basis points to 5.94 percent.

Bonds also rose as the dollar gained against the yen on speculation a package of tax cuts will do little to spur Japan's economy. "The vote in the bond market is that the Japanese plan won't be the watershed event to change the Asian outlook," said Patrick Dimick, a government bond strategist at UBS Securities.

Mortgage interest rates, which take their cues from Treasury-bond yields, fell to a 22-month low this week, the mortgage company Freddie Mac said Thursday. The average rate on 30-year fixed-rate mortgages was 7.07 percent, down from 7.17 percent.

(AP, Bloomberg)

Doubts on Japan Spur Dollar

Compiled by Our Staff From Dispatches

NEW YORK— The dollar rose against the yen on Thursday, as traders speculated that a Japanese tax-cut plan would not revive the country's ailing economy.

The dollar tumbled against the yen on Wednesday after Japan unexpectedly proposed an income-tax reduction of more than $15 billion and after the Bank of Japan sold dollars.

"This package is not going to quite cut it for Japan," said Simon Fowles, of Wells Fargo Bank. "It's temporary relief, and it will take a lot of intervention to keep the dollar down."

At 4 P.M. in New York the dollar was at 128.66 yen, up from 127.155 Wednesday. The dollar also rose to 1.7745 Deutsche marks from 1.7740 DM after the Bundesbank said monetary growth had slowed last month,

FOREIGN EXCHANGE

bolstering expectations that interest rates there are on hold.

The dollar also rose to 1.4375 Swiss francs from 1.4355 and to 5.9465 French francs from 5.9391.

Meanwhile, the pound gained after an increase in the British monetary supply triggered expectations that interest rates there would head higher. The pound rose to $1.6655 from $1.6507.

(Bloomberg, AFP)

Andersen Is Heading For a Split

By Albert B. Crenshaw
Washington Post Service

WASHINGTON — The consulting arm of Andersen Worldwide, citing "serious breaches of contract and irreconcilable differences," is taking steps toward splitting off from the parent firm.

The dispute stems from a recent area of friction within big accounting firms. While the traditional business of auditing companies' financial records has been flat or declining, consulting services have been flourishing.

In 1989, Andersen tried to deal with the situation by splitting its consulting and audit arms into two entities — Andersen Consulting and Arthur Andersen — under the umbrella of Andersen Worldwide.

But since then, the accounting arm has begun offering consulting services as well. Andersen Consulting's revenues have climbed 20 percent a year, while Arthur Andersen's have risen 13 percent, although revenue from accounting increased less than 8 percent annually.

Partners in Andersen Consulting have been unhappy with payments they had to make to Arthur Andersen, which they see as a subsidy. Last year Andersen Consulting paid Arthur Andersen about $100 million.

The consultants have requested arbitration of the issues.

U.S. and Microsoft: Back to Court

Compiled by Our Staff From Dispatches

WASHINGTON — Microsoft Corp. and the U.S. government are due to meet again in court Friday morning to discuss the government's request for a contempt-of-court citation against the world's leading software company.

Microsoft escalated the dispute Thursday by maintaining that removing its Internet browser from its Windows 95 operating system would prevent the system from functioning. Late Wednesday, the Justice Department asked a federal court to find the company in contempt of an earlier order that barred Microsoft from requiring computer makers to install its Internet browser, called Explorer, along with its market-dominating Windows system. The department has also asked for a $1 million-a-day fine. Microsoft has appealed.

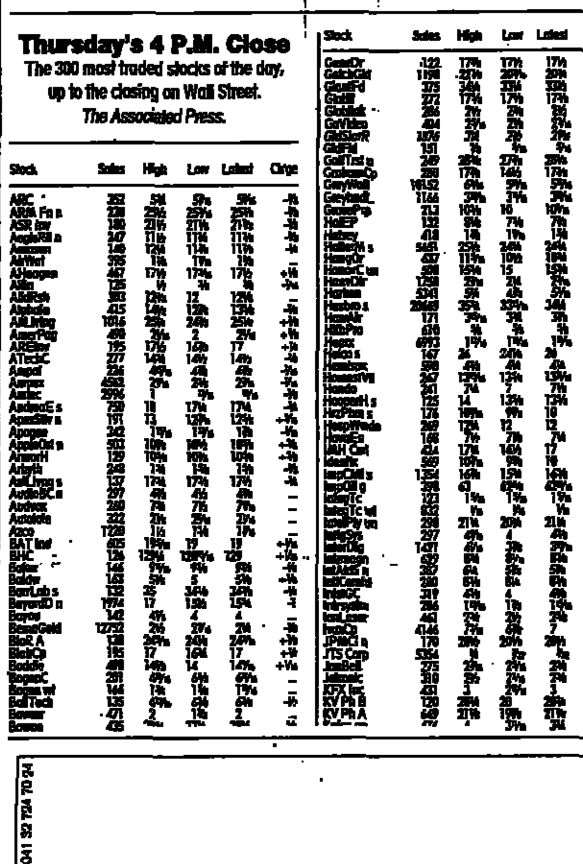
"If any computer manufacturer avails itself of the option of not installing Internet Explorer 3.0, it is an inescapable fact that the remainder of the operating system will not function," Microsoft said in a letter to the Justice Department, released on Thursday. Microsoft shares closed down $5 at $130.625 on the Nasdaq exchange.

(AFP, WP)

AMEX

Thursday's 4 P.M. Close
The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]					



U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7952.19	7955.47	7810.45	7846.50	-110.91
Trans	3228.44	3239.16	3162.57	3173.77	-61.42
Util	265.60	265.93	264.01	265.19	-0.69
Comp	2598.59	2599.42	2553.55	2563.80	-35.36

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1127.21	1114.05	1115.43	1102.89
Transp.	698.60	690.70	691.61	678.11
Utilities	225.98	224.52	225.90	226.44
Finance	119.64	118.89	119.13	118.00
SP 500	974.30	964.25	965.54	955.30
SP 100	466.32	459.86	460.50	454.52

NYSE

	High	Low	Last	Chg.
Composite	506.40	499.48	501.49	-4.90
Industrials	625.44	615.40	617.80	-7.57
Transp.	462.11	453.08	453.55	-8.10
Utility	327.52	323.93	327.48	+1.70
Finance	494.71	488.35	490.51	-4.16

Nasdaq

	High	Low	Last	Chg.
Composite	1549.25	1516.81	1523.17	-24.20
Industrials	1191.80	1170.96	1173.10	-16.60
Banks	2054.68	2025.63	2033.36	-16.66
Insurance	1802.99	1770.14	1772.52	-27.49
Finance	2464.71	2435.78	2439.35	-20.64
Transp.	1038.10	1015.83	1015.90	-20.18

AMEX

High	Low	Last	Chg.
672.23	664.02	664.86	-6.42

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	105.02	105.03
10 Utilities	102.67	102.59
10 Industrials	107.37	107.46

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	105029	55⅞	53⅜	54⅞	-1¼
AT&T	72442	59⅜	57¼	59⅜	+1⅜
Cendant	68774	33⅞	32¼	32⅞	+⅝
MicrnT	62384	25⅞	23½	23⅞	-⅝
MBNA s	60958	27½	26⅛	26⅝	-⅝
Motorola	57046	56¾	54⅝	55⅞	+1⅝
Iomega	52670	26¾	23⅝	24⅝	-2⅝
IBM s	51172	107⅝	99	99⅞	-7⅜
CmpUSA	43270	30⅛	24½	26⅛	-4⅝
DuPont s	40819	61⅛	58¼	58⅜	-2⅝
Aetna Inc	40723	71¼	67⅛	69⅝	-9⅝
PhilMor s	40532	45⅛	44⅝	44⅝	+⅛
FstData	40146	27⅛	25⅞	26½	-⅛
Sherwin s	39605	28⅝	25⅞	26⅝	-2⅝
Travelrs s	38342	56	53¾	55⅛	-⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	229138	70	67⅝	69⅛	-½
Oracle s	120062	23	22	22	-⅝
DellCpt s	119990	84⅞	88⅜	80⅛	-4
Microsft	119192	134⅜	130⅜	130⅞	-4⅝
AppldMat s	114464	29⅝	27⅛	28⅛	+⅛
Cisco s	112263	54	51	53⅝	-⅝
VideoLan	102676	¾	¼	¼	
TeleComA	73390	28⅝	27⅝	27⅝	+⅝
3Com	68517	34½	32⅛	33⅝	-1⅛
Centocor	59614	31⅝	27⅛	28⅛	-3⅛
SunMic	59417	38⅝	36⅝	37⅝	-⅛
Cityscape	58791	⅝	¼	½	-⅝
Frstplus	55653	29⅛	21⅝	29⅛	+2⅝
EFII s	54081	13⅝	12⅛	13⅝	+⅝
Danka	51251	15⅝	14⅝	15⅞	+⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	46197	96⅝	95⅛	95⅝	-1⅛
Hasbro s	20669	35⅛	33⅝	34⅛	-1⅛
Nabors	15285	33	30⅝	30⅝	-1⅝
EchoBay	14933	2⅝	2⅛	2½	-⅛
BemaGold	12752	2½	2⅛	2⅛	-⅛
RoyalO g	12081	1½	1⅛	1⅝	
MagnHunr	11873	5¼	4⅝	4⅝	-⅝
GreyWolf	10152	6⅝	5⅝	5⅞	-⅝
TWA	8987	10⅝	10⅛	10⅝	-⅝
PegGld	7787	⅝	½	⅝	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1065	1659
Declined	1922	1316
Unchanged	490	504
Total issues	3477	3473
New Highs	133	204
New Lows	74	61

Nasdaq

	Noon	Prev.
Advanced	1586	2143
Declined	2117	2107
Unchanged	1863	1485
Total issues	5566	5735
New Highs	79	151
New Lows	135	188

AMEX

	Close	Prev.
Advanced	227	287
Declined	346	301
Unchanged	191	174
Total issues	764	762
New Highs	16	14
New Lows	26	15

Market Sales

	Today 4:00	Prev. cons.
NYSE	619.15	731.20
Amex	30.91	43.09
Nasdaq	683.48	257.46

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Stryker Corp	-	.11	12-31	1-30
Templeton Emrg	-	.44	12-31	1-14
Templeton Russia	-	1.67	12-31	1-14
STOCK SPLIT				
Ameritech Corp 2 for 1 split.				
First of L.I. 3 for 2 split.				
St Joe Corp 3 for 1 split.				
Stolt Comex 2for 1split per ADS.				
Whitman Corp 1 share of Hussman for each share & 1 share of Midas for each 6.				
INCREASED				
Ameritech Corp	Q	.60	12-31	2-2
FFVA Fin	Q	.15	1-2	1-16
First of L.I.	Q	.40	1-2	1-20
Franklin Sel Rlty A		.12	12-31	1-15
IMH Commcl	Q	.38	12-31	1-15
PAB Bkshrs	Q	.095	1-2	1-15
SPECIAL				
Collins Indust	-	.13	1-13	1-20
New Am Hi Inco	-	.085	12-31	1-30
Panhandle Royalty	-	.10	2-12	3-12
INITIAL				
Allegiant Bncp n	-	.03	12-31	1-21
Dentsply Intl n	-	.0512	12-30	1-9
HanovrCapMtg	-	.16	12-31	1-12
MacKenzie Fin n g	-	.04	12-30	1-5

Company	Per	Amt	Rec	Pay
YEAREND				
Capital World Bd	-	.476	12-19	12-22
Fidelity Adv Asia	-	.29	1-15	2-2
Lincoln Ntl Cv Sec	-	2.04	12-31	1-15
Linc Ntl Inco	-	.70	12-31	1-12
MFS 5%	-	.6684	12-31	1-12
Tempitn China	-	.17	12-31	1-14
Tempitn Dragon	-	.985	12-31	1-14
Tempitn EmrgMk	-	1.495	12-31	1-14
REGULAR				
Arden Rlty	Q	.40	12-30	1-30
Bay Apartment	Q	.42	12-31	1-15
Centura Bks	Q	.27	2-27	3-13
Dun & Bradstreet	Q	.22	2-20	3-10
Echlin Inc	Q	.225	1-6	1-16
Fidelity Bkshrs	Q	.225	12-31	1-15
Fst Svgs Bncp NC	Q	.22	12-31	1-20
HRE Prop	Q	.32	1-8	1-28
Oxford TxEX II	Q	.495	12-31	2-14
Panhandle Royal	Q	.20	2-12	3-12
Sumitomo Bk CA	Q	.20	12-31	1-23
Tektronix Inc	Q	.12	1-16	2-2
Wayne Bncp NJ	Q	.05	1-15	1-26

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Dec. 18, 1997 — High, Low, Latest, Chge, Opint

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 97	262	255¾	256	-5	2,874
Mar 98	274	267	267¾	-5¼	174,185
May 98	280¾	274½	274½	-5½	46,488
Jul 98	286½	280	280¾	-5½	57,389
Sep 98	280¾	278½	278½	-3¾	5,766
Dec 98	284	280¾	280½	-3½	33,637
Jul 99	294	293½	293½	-3½	328

Est. sales N.A. Wed's sales 35,712
Wed's open int 322,349, off 988

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Dec 97	217.00	210.80	211.90	-3.80	3,011
Jan 98	212.50	205.60	206.00	-5.00	27,604
Mar 98	210.50	204.30	204.40	-4.20	34,690
May 98	209.50	203.50	203.60	-4.10	22,228
Jul 98	210.00	205.10	205.40	-3.90	15,960
Aug 98	210.00	205.60	205.70	-3.80	4,815

Est. sales N.A. Wed's sales 21,390
Wed's open int 115,960, off 1,176

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Dec 97	25.15	24.65	24.66	-0.14	298
Jan 98	25.30	24.76	24.84	-0.11	33,492
Mar 98	25.59	25.13	25.28	-0.01	40,384
May 98	25.80	25.33	25.49	-0.02	14,768
Jul 98	25.95	25.43	25.61	-0.01	12,040
Aug 98	25.85	25.42	25.53	-0.02	3,502

Est. sales N.A. Wed's sales 13,947
Wed's open int 107,276, up 546

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jan 98	694	677	677½	-12	51,785
Mar 98	696	679½	680¼	-10½	38,978
May 98	701½	685	685½	-10¼	24,166
Jul 98	706	690	690½	-11½	25,454
Aug 98	704	689	689	-12	3,753

Est. sales N.A. Wed's sales 40,204
Wed's open int 154,692, off 2,345

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 97	330	320¼	320¼	-12¼	54
Mar 98	346¾	334	334½	-11¼	54,316
May 98	354	342	342¼	-10¼	11,899
Jul 98	359	347½	347¼	-11	18,849

Est. sales N.A. Wed's sales 9,262
Wed's open int 88,264, off 574

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 97	67.40	66.72	67.00	-0.25	4,379
Feb 98	66.65	65.80	66.00	-0.65	48,471
Apr 98	69.62	68.85	69.07	-0.55	25,853
Jun 98	69.05	68.40	68.62	-0.40	15,592
Aug 98	69.90	69.42	69.57	-0.30	5,848
Oct 98	72.30	72.02	72.02	-0.27	1,464

Est. sales 15,795 Wed's sales 16,161
Wed's open int 101,010, off 2,422

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 98	77.90	77.25	77.30	-0.37	7,029
Mar 98	78.35	77.55	77.60	-0.70	4,735
Apr 98	78.70	78.02	78.02	-0.50	1,803
May 98	79.55	79.00	79.02	-0.47	1,517
Aug 98	81.30	80.75	80.80	-0.60	792
Sep 98	81.25	80.75	80.90	-0.60	190

Est. sales 2,537 Wed's sales 2,821
Wed's open int 16,269, off 633

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	60.10	59.47	59.62	-0.40	21,351
Apr 98	57.27	56.90	57.07	-0.17	8,448
Jun 98	64.95	64.60	64.62	-0.27	4,954
Jul 98	63.97	63.70	63.72	-0.17	1,460
Aug 98	61.70	61.60	61.62	unch.	263

Est sales 4,889 Wed's sales 4,516
Wed's open int 37,317, off 2,863

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	56.00	55.00	55.27	-0.55	5,979
Mar 98	55.60	54.70	54.80	-0.50	1,274
May 98	56.20	55.70	55.97	-0.32	1,017

Est. sales 2,476 Wed's sales 1,133
Wed's open int 8,996, up 8

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Mar 98	1707	1683	1695	+2	45,076
May 98	1733	1717	1724	+4	20,522
Jul 98	1744	1737	1744	+4	4,761
Sep 98	1763	1757	1763	+4	5,857
Dec 98	1795	1784	1784	+4	9,403
Mar 99			1804	+4	9,894

Est. sales 3,751 Wed's sales 5,030
Wed's open int 98,644, up 408

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 97			164.25	unch.	266
Mar 98	166.50	161.00	165.05	+4.20	18,004
May 98	161.25	158.25	160.80	+5.10	5,672
Jul 98	155.00	152.50	155.00	+4.95	2,852
Sep 98	148.50	145.50	148.50	+4.60	1,270

Est. sales 4,937 Wed's sales 8,643
Wed's open int 29,500, off 1,144

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 98	12.35	12.15	12.31	+0.15	97,961
May 98	12.14	12.03	12.09	+0.09	34,015
Jul 98	11.74	11.65	11.68	+0.04	29,977
Oct 98	11.62	11.55	11.55	unch.	25,779

Est. sales 33,267 Wed's sales 42,247
Wed's open int 197,280, off 2,144

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 98	88.00	85.50	87.00	+0.20	14,808
Mar 98	91.30	89.00	90.25	unch.	21,186
May 98	94.50	92.80	93.55	-0.05	4,657
Jul 98	97.05	96.40	96.80	-0.05	3,227

Est. sales N.A. Wed's sales 8,776
Wed's open int 47,560, off 1,361

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Dec 97	290.00	287.20	287.20	-1.90	156
Jan 98			287.90	-1.90	2
Feb 98	292.90	287.40	289.20	-1.90	99,853
Apr 98	294.70	289.40	290.90	-1.90	12,106
Jun 98	296.60	291.50	292.90	-1.90	11,352
Aug 98	297.00	294.90	294.90	-1.90	5,249
Oct 98	297.00	296.00	297.00	-1.90	2,443
Dec 98	302.70	298.00	299.10	-1.90	13,814
Feb 99			301.20	-1.90	3,928

Est. sales N.A. Wed's sales 29,167
Wed's open int 186,079, off 1,345

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 97	80.05	78.60	79.75	+0.65	1,029
Jan 98	80.30	78.90	80.10	+0.55	3,381
Feb 98	80.90	80.10	80.65	+0.55	2,029
Mar 98	81.60	79.95	81.20	+0.55	35,296
Apr 98	81.95	81.05	81.80	+0.55	1,522
May 98	82.40	81.10	82.05	+0.45	5,057
Jun 98	82.35	81.70	82.35	+0.40	1,607
Jul 98	83.25	82.20	82.85	+0.45	3,662
Aug 98	83.10	83.00	83.10	+0.35	1,232

Est. sales N.A. Wed's sales 5,849
Wed's open int 68,771, up 1,067

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Dec 97	602.80	592.00	602.80	+10.20	530
Jan 98	605.10	596.00	605.10	+10.50	29
Feb 98			607.10	+10.50	
Mar 98	608.00	593.00	607.30	+10.50	66,752
May 98	608.00	596.00	607.30	+10.50	6,495
Jul 98	607.40	594.50	607.40	+10.60	7,282
Sep 98			607.10	+10.30	1,039

Est. sales N.A. Wed's sales 14,202
Wed's open int 93,983, off 569

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jan 98	358.50	351.50	356.70	+2.70	8,457
Apr 98	357.00	352.50	354.90	+1.70	5,769
Jul 98	358.00	353.90	353.90	+1.20	251

Est. sales N.A. Wed's sales 4,233
Wed's open int 14,481, off 365

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1516.00	1517.00	1506.00	1507.00
Forward	1542.00	1543.00	1531½	1532½
Copper Cathodes (High Grade)				
Spot	1751.00	1752.00	1739.00	1740.00
Forward	1781.00	1782.00	1769.00	1770.00
Lead				
Spot	542½	543½	527½	528½
Forward	552.00	553.00	538.00	539.00
Nickel				
Spot	5890.00	5900.00	5895.00	5905.00
Forward	5985.00	5990.00	5995.00	6000.00
Tin				
Spot	5415.00	5425.00	5450.00	5460.00
Forward	5355.00	5360.00	5370.00	5380.00
Zinc (Special High Grade)				
Spot	1124½	1125½	1108.00	1109.00
Forward	1148.00	1149.00	1132.00	1133.00

Financial

High, Low, Close, Chge, Opint

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Mar 98	95.06	95.04	95.05	+0.01	7,214
Jun 98	95.04	95.04	95.04	+0.02	1,166
Sep 98			95.02	unch.	29
Dec 98			95.03	unch.	

Est. sales N.A. Wed's sales 367
Wed's open int 11,464, up 251

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	108-40	108-30	108-36	+ 08	17,491

Est. sales N.A. Wed's sales 53,739
Wed's open int 263,162, up 1,294

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	112-14	112-03	112-11	+ 09	14,274
Mar 98	112-08	111-22	112-03	+ 08	353,832
Jun 98			111-26	unch.	2,086

Est. sales N.A. Wed's sales 68,372
Wed's open int 370,193, off 851

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Dec 97	120-22	119-24	120-15	+ 18	62,009
Mar 98	120-19	119-19	120-12	+ 19	671,778
Jun 98	120-08	119-18	120-01	+ 18	28,320
Sep 98			119-26	unch.	4,813

Est. sales N.A. Wed's sales 303,667
Wed's open int 771,834, up 10,983

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	120-24	120-17	120-24	+0-07	13,820
Mar 98	121-11	121-00	121-09	+0-06	169,734
Jun 98	N.T.	N.T.	105-19	+0-06	1,098

Est. sales: 30,387. Prev. sales: 49,521
Prev. open int.: 184,652 off 2,727

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 98	104.78	104.32	104.72	+0.33	234,059
Jun 98	N.T.	N.T.	104.14	+0.33	1,096

Est. sales: 83,576. Prev. sales: 113,636
Prev. open int.: 235,155 off 15,217

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	101.34	101.00	101.32	+ 0.34	128,926
Jun 98	100.38	100.38	100.72	+ 0.34	125

Est. sales: 80,530.
Open int.: 129,051 off 13,690.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	115.82	115.41	115.75	+0.28	115,412
Jun 98	N.T.	N.T.	115.19	+0.38	53

Est. sales: 28,096. Prev. sales: 26,836
Prev. open int.: 115,465 off 1,515

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Jan 98	94.31	94.28	94.31	+0.02	22,582
Feb 98	94.28	94.26	94.28	+0.02	14,533

Est. sales N.A. Wed's sales 3,044
Wed's open int 41,896, off 17,813

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Feb 98	94.20	94.19	94.20	+0.02	5,562
Mar 98	94.20	94.15	94.18	+0.02	493,220
Jun 98	94.18	94.12	94.16	+0.02	384,609
Sep 98	94.15	94.09	94.13	+0.03	261,926
Dec 98	94.08	94.01	94.06	+0.03	218,884
Mar 99	94.09	94.01	94.06	+0.02	160,903
Jun 99	94.05	94.01	94.03	+0.03	136,724
Sep 99	94.02	93.98	94.00	+0.03	100,198
Dec 99	93.97	93.92	93.94	+0.02	103,023
Mar 00	93.98	93.94	93.97	+0.04	74,249
Jun 00	93.96	93.92	93.95	+0.04	62,182

Est. sales N.A. Wed's sales 250,587
Wed's open int 2,470,267, off 309,134

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Mar 98	1.6608	1.6416	1.6574	+.0130	30,461
Jun 98	1.6520	1.6450	1.6520	+.0146	1,305
Sep 98			1.6306	unch.	4

Est. sales N.A. Wed's sales 14,665
Wed's open int 31,770, off 22,325

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Mar 98	.7056	.7028	.7032	-0.0018	55,805
Jun 98	.7067	.7035	.7041	-0.0022	3,394
Sep 98	.7060	.7060	.7060	-0.0013	797

Est. sales N.A. Wed's sales 5,730
Wed's open int 60,455, off 23,568

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Mar 98	.5675	.5643	.5660	-0.0007	65,153
Jun 98	.5692	.5677	.5682	-0.0013	4,394
Sep 98			.5720	unch.	140

Est. sales N.A. Wed's sales 27,665
Wed's open int 69,690, off 23,488

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Mar 98	.7992	.7825	.7870	-.0106	88,926
Jun 98	.7973	.7935	.7971	-.0113	1,676
Sep 98			.8190	unch.	1,271

Est. sales N.A. Wed's sales 55,272
Wed's open int 91,887, off 54,016

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Mar 98	.7040	.7001	.7025	-0.0012	37,237
Jun 98	.7106		.7107	unch.	1,460
Sep 98			.7176	unch.	110

Est. sales N.A. Wed's sales 9,468
Wed's open int 38,812, off 16,433

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Mar 98	.12010	.11950	.11977	-.00142	17,519
Jun 98	.11610	.11590	.11590	-.00191	3,475
Sep 98	.11285	.11280	.11285	+.00106	4,804

Est. sales N.A. Wed's sales 4,427
Wed's open int 26,322, off 7,411

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	92.38	92.36	92.36	-0.01	139,761
Jun 98	92.48	92.45	92.46	-0.01	109,068
Sep 98	92.64	92.62	92.62	-0.01	85,014
Dec 98	92.84	92.82	92.82	-0.01	77,155
Mar 99	93.06	93.03	93.04	-0.01	65,294
Jun 99	93.24	93.22	93.23	Unch.	62,740
Sep 99	93.36	93.33	93.35	Unch.	43,092

Est. sales: 40,363. Prev. sales: 92,208
Prev. open int.: 831,551 up 29,079

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jan 98	96.30	96.30	96.30	+0.02	18,256
Feb 98	N.T.	N.T.	96.25	+0.02	750
Mar 98	96.21	96.16	96.20	+0.04	382,130
Jun 98	96.04	95.97	96.03	+0.06	329,040
Sep 98	95.88	95.80	95.88	+0.07	233,018
Dec 98	95.68	95.60	95.67	+0.07	211,921
Mar 99	95.48	95.41	95.48	+0.07	238,173
Jun 99	95.31	95.25	95.31	+0.06	114,857
Sep 99	95.17	95.12	95.17	+0.06	89,156

Est. sales: 134,644. Prev. sales: 105,106
Prev. open int.: 1,770,859 up 3,392

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jan 98	96.30	96.28	96.30	+ 0.02	1,165
Feb 98	0.00	0.00	96.23	+ 0.02	5
Mar 98	96.22	96.16	96.21	+ 0.05	83,424
Jun 98	96.02	95.97	96.02	+ 0.05	39,454
Sep 98	95.88	95.81	95.87	+ 0.06	28,571
Dec 98	95.69	95.63	95.69	+ 0.07	24,642

Est. sales: 27,388.
Open int.: 257,945 up 2,238.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 98	94.69	94.61	94.68	+0.06	150,398
Jun 98	95.29	95.23	95.29	+0.06	129,061
Sep 98	95.51	95.46	95.51	+0.07	89,498
Dec 98	95.50	95.45	95.50	+0.08	61,735

Est. sales: 46,179. Prev. sales: 49,009
Prev. open int.: 545,492 up 4,973

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 98	68.05	67.50	67.75	+0.56	43,225
May 98	69.24	68.90	69.08	+0.69	15,176
Jul 98	70.60	70.00	70.32	+0.69	15,014
Oct 98	72.10	71.80	72.10	+0.65	1,374
Dec 98	72.88	72.55	72.80	+0.62	12,704

Est. sales N.A. Wed's sales 9,356
Wed's open int 88,312, off 506

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jan 98	53.00	51.80	52.70	+0.92	37,493
Feb 98	53.40	52.20	53.15	+0.96	41,772
Mar 98	53.50	52.35	53.20	+0.81	18,017
Apr 98	53.00	52.10	53.00	+1.01	10,430
May 98	52.15	51.70	52.15	+0.66	8,256
Jun 98	52.30	51.50	52.30	+1.01	10,668
Jul 98	52.35	51.60	52.05	+0.56	4,354

Est. sales N.A. Wed's sales 42,989
Wed's open int 147,489, off 1,144

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Jan 98	18.65	18.19	18.58	+0.39	39,331
Feb 98	18.87	18.38	18.80	+0.41	115,731
Mar 98	19.03	18.58	18.96	+0.38	42,903
Apr 98	19.11	18.73	19.08	+0.34	25,837
May 98	19.25	18.92	19.22	+0.34	21,741
Jun 98	19.33	19.00	19.33	+0.37	34,497

Est. sales N.A. Wed's sales 111,658
Wed's open int 431,756, up 883

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Jan 98	2.500	2.350	2.460	+0.022	40,214
Feb 98	2.455	2.310	2.395	-0.006	36,872
Mar 98	2.374	2.260	2.340	+0.007	24,428
Apr 98	2.290	2.195	2.260	+0.015	12,098
May 98	2.245	2.180	2.220	+0.008	9,265
Jun 98	2.230	2.185	2.220	+0.015	8,891

Est. sales N.A. Wed's sales 67,070
Wed's open int 216,989, off 319

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jan 98	57.75	55.40	57.35	+1.72	23,133
Feb 98	57.75	55.70	57.30	+1.56	30,973
Mar 98	57.90	56.25	57.40	+1.11	12,122
Apr 98	60.30	59.35	60.10	+1.21	11,784
May 98	59.85	58.60	59.85	+1.18	18,167
Jun 98	58.80	58.40	58.80	+0.63	8,267
Jul 98	58.40	57.90	58.40	+0.88	6,724
Aug 98	57.00	57.00	57.00	+0.32	3,348

Est. sales N.A. Wed's sales 28,064
Wed's open int 110,672, off 410

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Jan 98	162.00	160.00	161.75	+1.75	28,098
Feb 98	162.50	161.00	162.50	+1.75	13,500
Mar 98	162.75	161.25	162.75	+1.25	12,314
Apr 98	162.50	162.00	162.50	+1.25	4,889
May 98	163.00	161.75	163.00	+1.50	3,194
Jun 98	162.50	161.50	162.75	+1.50	11,247
Jul 98	163.25	163.25	164.00	+1.50	3,331

Est. sales: 9,163. Prev. sales: 14,139
Prev. open int.: 89,087 up 1,178

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Feb 98	17.88	17.46	17.80	+0.40	81,427
Mar 98	17.92	17.56	17.86	+0.34	34,889
Apr 98	17.93	17.63	17.85	+0.27	16,355
May 98	17.84	17.70	17.89	+0.26	12,000
Jun 98	17.95	17.72	17.93	+0.26	18,433

Est. sales: 28,100. Prev. sales: 40,614
Prev. open int.: 181,763 up 3,960

Stock Indexes

SP COMP INDEX (CMER) 250 x index

	High	Low	Latest	Chge	Opint
Dec 97	965.30	949.60	955.50	-9.10	116,310
Mar 98	976.60	960.40	966.40	-9.00	335,461
Jun 98	986.20	972.00	972.00	-13.50	8,181

Est. sales N.A. Wed's sales 173,148
Wed's open int 463,335, up 4,599

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Dec 97	5236.0	5232.0	5178.0	—30.0	23,005
Mar 98	5289.0	5282.0	5229.5	—30.0	47,640

Est. sales: 30,006. Prev. sales: 27,901
Prev. open int.: 70,645 up 335

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Dec 97	2925.0	2895.0	2899.0	— 2.00	37,085
Jan 98	2928.5	2903.5	2906.0	— 2.00	12,616
Feb 98	2931.5	2928.0	2915.0	— 2.00	1,570
Mar 98	2942.0	2922.0	2922.5	— 2.00	15,035
Jun 98	2909.0	2909.0	2891.5	— 2.00	1,860

Est. sales: 14,162.
Open int.: 84,829 up 1,315.

Commodity Indexes

	Close	Previous
Moody's	1,468.50	1,468.70
Reuters	1,756.50	1,760.60
D.J. Futures	142.70	142.65
CRB	234.21	234.01

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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Andersen Is Heading For a Split

EUROPE

Gazprom Spurns U.S. Credits to Deal With Iran

By Michael R. Gordon
New York Times Service

MOSCOW — Defying American pressure to end its business dealings with Iran, Russia's huge natural gas company, Gazprom, has canceled an agreement with the United States Export-Import Bank.

The American agency had agreed to guarantee $750 million in financing so Gazprom could purchase American equipment and services. The loan guarantees have come under fire in Congress because of Gazprom's decision to explore for gas in Iran. The Clinton administration has also been considering sanctions against Russia.

Now Gazprom has spurned the guarantees before they could be withdrawn. A Gazprom executive told the Interfax, a Russian news agency, on Wednesday that the step was taken to prevent the United States from "putting pressure on Russian companies implementing projects abroad."

But Gazprom's action might not interfere with the purchase of American equipment and services. For example, while the Export-Import Bank will not provide a loan guarantee for Gazprom to buy automated equipment from Compressor Control Systems in Des Moines, Iowa, the company still hopes to go ahead with the deal.

"Gazprom is already working on arranging some other form of financing," said Stan Pshonik, a marketing executive at Compressor Control Systems.

Gazprom, Russia's largest and most politically powerful company, has been the focus of American concern since it teamed up with major French and Malaysian oil companies to sign the $2 billion Iran deal.

That has made Gazprom vulnerable under the Iran-Libyan Sanctions Act of 1986, which was passed to punish companies that do more than $20 million worth of business in Iran's energy sector. The administration has not yet ruled whether Gazprom has violated the act.

Imposing sanctions would underscore American resolve to stop foreign companies from trading with Iran, but it would be a setback for relations with Russia. Although Gazprom has officially been "privatized," the government still owns 40 percent of its shares.

Any sanctions would also come at a time when Tehran is saying it is interested in a more constructive relationship with Washington.

There are several options. If Gazprom is deemed to have violated the act, sanctions could be waived or imposed selectively. Alternatively, they could be deferred while Washington urges the Russian government to block Gazprom's deal.

Dresdner Unit Loses Chief in Tax Scandal

Bloomberg News

FRANKFURT — Dresdner Bank AG said Thursday that its head of investment banking, Hansgeorg Hofmann, had resigned, effective immediately, after admitting to not paying enough income tax.

Mr. Hofmann, head of the Dresdner Kleinwort Benson unit, will be replaced by Gerd Haeusler, who is on Dresdner's management board and was Mr. Hofmann's deputy at Dresdner Kleinwort Benson.

Mr. Hofmann is the fourth top Dresdner executive to resign in three months as the bank labors under an investigation into whether executives evaded German income tax and advised clients to steer money out of the country.

Analysts expected the departure of Mr. Hofmann, which comes two days after Chief Executive Juergen Sarrazin said he would retire Dec. 31, five months early. The bank acknowledged that Mr. Hofmann had failed to pay enough income tax on money diverted to Swiss bank accounts since 1989.

Klaus Carlin, a member of Dresdner's supervisory board, on Wednesday publicly urged Mr. Hoffman to resign.

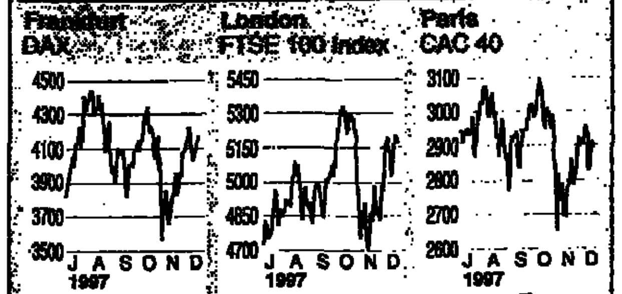
"We have great respect for Hofmann's decision," Mr. Sarrazin said. "He is an outstanding investment banker and has achieved a lot for Dresdner Bank and Dresdner Kleinwort Benson."

Mr. Sarrazin will be replaced by Bernhard Walter, a Dresdner Bank management board member.

"Dresdner Bank really has to clear up the private tax issue of its entire management," said Michael Klein, banking analyst at Bankhaus Delbrueck & Co. "Otherwise the mess will continue."

German prosecutors say they have searched the homes of most Dresdner management board members.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	897.53	914.76	-1.89
Brussels	BEL-20	2,487.67	2,495.79	-0.33
Frankfurt	DAX	4,166.24	4,158.68	+0.18
Copenhagen	Stock Market	656.59	665.16	-1.29
Helsinki	HEX General	3,246.38	3,265.38	-0.58
Oslo	OBX	664.70	670.94	-0.93
London	FTSE 100	5,168.30	5,190.80	-0.43
Madrid	Stock Exchange	629.84	629.93	-0.14
Milan	MIBTEL	16206	16175	+0.19
Paris	CAC 40	2,894.90	2,893.25	+0.04
Stockholm	SX 16	3,224.46	3,251.56	-0.83
Vienna	ATX	1,266.16	1,265.17	+0.08
Zurich	SPI	3,908.88	3,905.65	+0.08

Source: Telekurs — International Herald Tribune

Generale de Banque Buys Lending Unit From U.K.'s Hambros

Bloomberg News

LONDON — Hambros PLC said Thursday it would sell its corporate lending business for an undisclosed amount to Generale de Banque SA, Belgium's leading bank.

Societe Generale, a leading French commercial bank, is in talks to buy Hambros's investment banking and fund-management businesses, according to a banker familiar with the talks. The banker said the talks should be completed by Christmas at the latest. Spokesmen for Hambros and Societe Generale refused to comment.

Hambros's move comes after the financial-services company failed to build its investment banking business fast enough to serve the global needs of clients. It also comes amid a wave of mergers and acquisitions in investment banking and the securities industry worldwide.

Hambros shares fell 7 pence to 259 pence ($4.26).

German Central Bank Holds Rates Steady

Compiled by Our Staff From Dispatches

FRANKFURT — Germany's central bank kept its key interest rates unchanged Thursday and cut the money-supply growth target to counter any inflationary pressures.

At a meeting of its central council attended by Economics Minister Guenter Rexrodt, the Bundesbank chose to keep its discount rate at 2.50 percent and the Lombard rate at 4.50 percent. Those record low rates had first been set April 19, 1996.

For the next three weeks, the third key Bundesbank rate — the repurchase rate — will also hold steady at 3.30 percent.

Hans Tietmeyer, the bank president, said a "brighter" inflation climate in Germany has allowed the central bank to hold interest rates steady since October's rate rise.

"The price climate "has brightened somewhat since the summer," Mr. Tietmeyer said after the Bundesbank's final policy meeting of the year. "We have therefore continued to follow a rate policy of the steady hand after October."

Many expect German rates — which will set the tone for the rest of Europe in the run-up to the January 1999 launch of a single European currency — to remain where they are for months to come.

Mr. Tietmeyer also said the central bank had no plans to sell either gold or dollar reserves, and he added that a decision on the role of gold in the reserves of the future European central bank has not been made. *(AFP, Bloomberg)*

Air France Profit Triples as Restructuring Takes Hold

Bloomberg News

TOULOUSE, France — Air France Group said Thursday that its first-half net profit tripled as it carried more higher-paying passengers and benefited from currency exchange rates.

The state-owned carrier said after-tax profit for the six months ended Sept. 30 was 1.76 billion French francs ($296.3 million). That includes the results of both the long-haul carrier and the domestic carrier, Air France Europe, that was merged into the group in September.

The company said the comparable figure for the same period a year earlier was 597 million francs.

The results reflect the progress of Christian Blanc in bringing the carrier back to financial health. Mr. Blanc, who had led the carrier since late 1993, quit his post as chairman and chief executive in September after the state refused to meet his demand that the carrier be sold to private interests.

Jean-Cyril Spinetta is now chairman and chief executive.

Sales for the six months were 31 billion francs, an 8.3 percent increase over the previous period, Air France said.

Very briefly:

- **Metro AG**, Europe's largest retailer, plans to sell new shares to finance its 4.8 billion Deutsche mark ($2.7 billion) purchase of **SHV Holdings NV**'s European warehouse stores. Metro also warned that 1997 operating profit would fall 25 percent because of a slump in Christmas sales.
- **Fiat SpA** said John Elkann, the 22-year-old grandson of its patriarch, Gianni Agnelli, will join its board of directors. The appointment came days after the death of Giovanni Alberto Agnelli, 33, who had been groomed to lead the company.
- **Moulinex SA** reported a first-half profit of 21 million francs ($3.6 million), compared with a 74 million franc loss the year before, as the French household appliances company started to benefit from a restructuring.
- An agreement by 70 countries under the auspices of the **World Trade Organization** to open their telecommunications markets by Jan. 1 may be delayed because some countries will not meet the deadline, Britain's Department of Trade & Industry said.
- **Istituto Nazionale delle Assicurazioni SpA**, an Italian insurer, plans to expand its agent sales force by 1,000 in two years, more than tripling the current force. *Bloomberg, AFP*

WORLD STOCK MARKETS

Thursday, Dec. 18
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 897.52 — Previous: 914.76

	High	Low	Close	Prev.
ABN-AMRO	41.90	40.90	40.90	41.70
Aegon	178.80	176.80	177.40	178
Ahold	54.20	52.70	52.90	54.40
Akzo Nobel	342	334.10	334.90	340.80
Baan Co.	68.50	66.10	67.70	69.90
Bols Wess cva	31.80	30.70	30.90	30.70
CSM cva	87	84.80	87	85.60
Dordtsche Pet	110.20	107.50	107.50	110.90
DSM	183.80	181.30	181.30	183.50
Elsevier	33.30	33	33.20	33.30
Fortis Amev	87.80	86.50	87	84.80
Getronics	66.50	65.10	66	66.20
G-Broc cva	51.50	49.50	50.80	50.90
Hagemeyer	84.50	83.50	84.50	84.90
Heineken	350.90	346	348.50	351
Hoogovens cva	85.90	83.10	83.90	85.60
Hunt Douglas	75	72.30	75	72.50
ING Group	85.80	84.60	84.90	85.80
KLM	75.50	74.50	75.50	74.90
KNP BT	45.20	44.70	45	45.50
KPN	83.90	82.60	83.50	84.30
Nedlloyd Gp	45.30	43.60	44.80	45
Nutricia	61.30	60.30	61	61.20
Oce Grinten	222.50	219.70	220.40	220.90
Philips Elec	124.80	119.80	122.70	122.90
Polygram	100.80	99	100.40	100.20
Randstad Hdg	78.80	74.20	78	79.40
Robeco	188.50	187	187	189
Rodamco	57.10	56.90	56.90	56.90
Rolinco	176.50	175.50	175.90	174.70
Rorento	120.80	120	120.60	119.80
Royal Dutch	111.20	108.80	109.40	112.50
Unilever cva	123.90	122.50	122.70	124.50
Vendex Intl	107.90	106.10	107.80	107.50
VNU	52	51.40	51.70	51.70
Wolters Kl cva	266	263.10	263.10	265

Bangkok
SET index: 387.30 — Previous: 374.16

	High	Low	Close	Prev.
Adv Info Svc	250	222	246	222
Bangkok Bk F	131	122	128	122
Krung Thai Bk	11.25	10.75	11.25	10.75
PTT Explor	394	390	394	388
Siam Cement F	366	348	360	346
Siam Com Bk F	54.50	52.50	54	52
Telecomasia	12.25	11	12.25	10.75
Thai Airways	51.50	47.50	50	50
Thai Farm Bk F	104	100	100	100
Utd Comm	20.50	18.25	20	19.75

Bombay
Sensex 30 index: 3472.36 — Previous: 3487.82

	High	Low	Close	Prev.
Bajaj Auto	615	593	594.25	617.25
Hindust Lever	1345	1311.50	1325	1317
Hindust Petlm	488	454	459	459.75
Ind Dev Bk	84	83	83.50	83
ITC	593.50	577.25	580	593
Mahanagar Tel	248	237.25	243.75	241
Reliance Ind	162.75	155.75	157	157
State Bk India	227.25	222.50	222.75	223.50
Steel Authority	10.75	9.50	9.75	10
Tata Eng Loco	287	281.25	282.25	285

Brussels
BEL-20 index: 2487.67 — Previous: 2495.79

	High	Low	Close	Prev.
Almanij	1950	1860	1920	1890
Barco Ind	6810	6600	6680	6570
BBL	9910	9830	9830	9910
CBR	3495	3410	3495	3465
Colruyt	18300	18050	18200	18175
Delhaize Lion	1915	1895	1895	1915
Electrabel	8370	8230	8360	8350
Electrafina	3445	3415	3445	3435
Fortis AG	7720	7640	7640	7660
Gevaert	1710	1635	1670	1700
GBL	5400	5320	5350	5290
Gen Banque	16825	16325	16325	16775
Kredietbank	16500	15825	16400	15800
Petrofina	14275	14050	14050	14200
Powerfin	5210	5200	5210	5220
Royale Belge	10700	10350	10700	10500
Soc Gen Belg	3610	3545	3565	3575
Solvay	2345	2270	2275	2340
Tractebel	3175	3150	3168	3155
UCB	127000	123500	123750	124400

Copenhagen
Stock index: 656.59 — Previous: 665.16

	High	Low	Close	Prev.
BG Bank	485	448.53	472	480
Carlsberg B	361	351	357	352
Codan Fors	990	975	990	980
Danisco	380	363	364	380
Den Danske Bk	945	879	885	930
D/S Svendborg B	425000	425000	425000	428000
D/S 1912 B	304600	293000	295000	302500
FLS Ind B	171	164	167	169
Kob Lufthavne	805	800	801.63	800
Novo Nordisk B	891	874	880	880
Sophus Ber B	1082	1060	1080	1070
Tele Danmk B	437	429	435	430
Tryg Baltica	461.38	449	455	455
Unidanmark A	530	495	505	520

Frankfurt
DAX: 4166.24 — Previous: 4158.68

	High	Low	Close	Prev.
AMB B	190	186	189.50	190.50
Adidas	247	242.20	246.50	245
Allianz	464.70	452.50	464.70	452.50
Altana	123.50	122.20	122.70	122.50
Axa Colonia	171	167	168	173
Bk Berlin	40.75	40.35	40.70	40
BASF	62.55	61.70	62.55	62.65
Bayer Hypo Bk	88	86.30	88	85
Bay.Vereinsbank	118.50	116.20	118.50	115.30
Bayer	62.45	62.20	62.35	63
Beiersdorf	73.50	73.30	73.50	73
Bewag	48.60	48.55	48.60	48.65
BMW	1300	1290	1295	1295
Commerzbank	72.10	70.90	71.50	70.10
Daimler Benz	124.90	123.75	124	126.60
Degussa	88.50	87.50	88	87.50
Deutsche Bank	126.70	125.60	125.80	124.75
Deut Telekom	32.40	32	31.95	33
Dresdner Bank	85.20	81.70	82.70	84
Fresenius	292	285	291	289
Fresenius Med	120.50	119	119	121
Fried. Krupp	329.50	326	327	325
Gehe	99	95.50	99	94.10
Heidelbg Zmt	137.50	131	131.10	137
Henkel pfd	109.60	108.50	109.60	110.30
HEW	466	460	464	460
Hochtief	71	67.50	68.50	68.10
Hoechst	62	61.50	61.65	62.10
Karstadt	615	602	615	613
Lahmeyer	74	73	73.50	74.95
Linde	1100	1080	1100	1055
Lufthansa R	33.80	33.30	33.50	34.40
MAN	510.50	504	505	510
Mannesmann	897.50	882.50	895.50	875
Metallgesellschaft	32.10	31.90	32	32.05
Metro	72.40	69.60	70.45	76.20
Munch Rueck R	656	646.50	650	663
Preussag	525	509	523	508
RWE	95.45	94.10	95.45	93.70
SAP	521	514	520	516
Schering	180	176.50	179	179
SGL Carbon	221	220.50	220.50	221.10
Siemens	104.05	102.85	103.50	102.40
Springer (Axel)	N.T.	N.T.	N.T.	1339
Suedzucker	900	890	900	915
Thyssen	400.50	396.50	399.80	390.50
Veba	118	117.30	118	117.50
VEW	590	590	590	612
Viag	993	965	969.50	981
Volkswagen	993	976	982	998

Helsinki
HEX General index: 3246.38 — Previous: 3265.38

	High	Low	Close	Prev.
Enso A	43.10	42.50	43	43
Huhtamaki I	222	215	219	222
Kemira	51.60	51	51.40	51.40
Kesko	84.80	83.70	84	84.20
Merita A	29.20	28.50	29.10	28.90
Metra B	123	119	120	123
Metso-Sarki B	42.20	40	41	40.80
Neste	132	130	132	128.10
Nokia A	388	375.50	376	387
Orion-Yhtyma	128	126.10	126.50	126.50
Outokumpu A	85.20	84.90	84.90	84.70
UPM-Kymmene	103	99.90	102	99.90
Valmet	75.40	74	75.20	74

Hong Kong
Hang Seng: 10754.11 — Previous: 10692.70

	High	Low	Close	Prev.
Amoy Props	6.75	6.65	6.75	6.65
Bank East Asia	18.60	17.55	18.45	17.95
Cathay Pacific	6	5.80	5.95	5.80
Cheung Kong	51	50	50.50	50.75
CK Infrastruct	21.85	21.30	21.80	21.65
China Light	42.90	41.90	42.90	42.10
Citic Pacific	32	31	31.70	31.10
Dao Heng Bk	20.60	19.70	20.35	19.60
First Pacific	4.08	3.80	3.88	4.10
Hang Lung Dev	10.70	10.50	10.70	10.70
Hang Seng Bk	74	72.75	73.50	73.50
Henderson Inv	6.45	6.20	6.40	6.25
Henderson Ld	37.50	36.50	37.40	37.40
HK China Gas	14.65	14.05	14.65	14.10
HK Electric	27.80	27.50	27.75	27.80
HK Telecomm	15.95	15.50	15.85	15.70
Hopewell Hdgs	2	1.98	1.99	1.98
HSBC Hdgs	196	193	195.50	194.50
Hutchison Wh	48.40	47.60	47.60	48.40
Hysan Dev	15.60	15.45	15.50	15.40
Johnson El Hdg	22.30	22	22.30	22
Kerry Props	13.50	13.30	13.30	12.15
New World Dev	26.70	26.40	26.45	26.30
Oriental Press	2.33	2.28	2.33	2.35
Pearl Oriental	0.48	0.42	0.48	0.42
SHK Props	56.50	55.25	56.25	56.50
Shun Tak Hdgs	2.38	2.30	2.33	2.30
Sino Land Co.	4.75	4.65	4.70	4.75
Sth China Post	5.50	5	5.30	5.25
Swire Pac A	41.70	40.50	41.20	40.60
Wharf Hdgs	16.70	15.85	16.70	15.95
Wheelock	9.30	8.85	9.30	8.85

Jakarta
Composite index: 378.30 — Previous: 368.69

	High	Low	Close	Prev.
Astra Intl	1600	1500	1500	1525
Bk Intl Indon	375	325	375	300
Bk Negara	525	500	525	500
Gudang Garm	8350	7700	8050	7500
Indocement	1575	1450	1500	1425
Indofood	2075	1825	2075	1775
Indosat	10500	9600	9750	10150
Sampoerna HM	4250	4000	4125	3925
Semen Gresik	2925	2875	2900	2800
Telekomunikasi	2725	2575	2675	2500

Johannesburg
All Market: 6168.84 — Previous: 6178.82

	High	Low	Close	Prev.
ABSA Group	28.50	28.15	28.30	28.40
AngloAm Coal	222	220	222	220
AngloAm Corp	201.60	196	201	198
AngloAm Gold	177	172	177	176.80
AngloAm Ind	127	124.80	126.40	123
AngloAM Plat	75.20	74.80	75	74.80
AVMIN	5.10	4.95	5.10	5.10
Barlow	43	42.45	42.60	43.10
C.G. Smith	19.90	19.25	19.75	19.90
De Beers	101.60	99	101.40	100.80
Driefontein	33.15	33	33.65	33
Fst Natl Bk	41	40.20	41	40.20
Gencor	7.60	7.35	7.38	7.60
GFSA	70	69.50	70	70
Imperial Hdgs	53	50	50	53
Ingwe Coal	17.70	17.50	17.60	17.10
Iscor	1.84	1.74	1.75	1.85
Johnnies Indl	51	49.90	51	50.50
Liberty Hdgs	327	327	327	327
Liberty Life	123	122.40	123	123
LibLife Strat	15.70	15.25	15.70	15.70
Minorco	85.60	84.90	85.60	85.60
Nampak	15.85	15	15.85	15.85
Nedcor	109.80	106	109.40	107.40
Rembrandt Gp	37.40	36.25	36.25	37.50
Richemont	54.50	53.50	54.50	54.10
SA Breweries	122.40	120	120	122.20
Samancor	23.60	23.40	23.40	23.60
Sasol	51.50	50.40	51.20	50.50
SBIC	214	208	213	214
Tiger Oats	70	68	68.50	69

Kuala Lumpur
Composite: 577.58 — Previous: 556.79

	High	Low	Close	Prev.
AMMB Hdgs	2.27	2.18	2.21	2.18
Genting	10.40	9.10	10.20	9.15
Mal Banking	10.40	9.90	10.40	9.85
Mal Intl Ship F	5.10	4.98	5.05	5
Petronas Gas	9.45	9	9.20	8.85
Proton	4.38	4.10	4.26	4.28
Public Bk	1.49	1.42	1.42	1.38
Renong	Susp.	Susp.	Susp.	1.80
Resorts World	6.35	5.60	6.30	5.65
Rothmans PM	30.25	28.25	30	29
Sime Darby	3.58	3.44	3.52	3.52
Telekom Mal	10.40	9.60	10.20	9.60
Tenaga	7.40	6.75	7.35	6.85
Utd Engineers	Susp.	Susp.	Susp.	3.24
YTL	4.94	4.50	4.80	4.50

London
FT-SE 100: 5168.30 — Previous: 5190.80

	High	Low	Close	Prev.
Abbey Natl	12	10.94	11.06	11.04
Allied Domecq	5.39	5.16	5.25	5.34
Anglian Water	8.38	8.20	8.38	8.34
Argos	5.70	5.51	5.58	5.69
Asda Group	1.79	1.70	1.77	1.70
Assoc Br Foods	5.46	5.39	5.44	5.40
BAA	5.05	4.93	4.98	4.96
Barclays	17.30	16.70	16.98	17.51
Bass	9.40	9.11	9.27	9.32
BAT Ind	5.71	5.57	5.67	5.67
Bank Scotland	5.86	5.77	5.86	5.84
Blue Circle	3.40	3.22	3.30	3.27
BOC Group	10.08	9.53	9.71	9.85
Boots	9	8.70	8.89	8.78
BPB Ind	3.38	3.31	3.38	3.36
Brit Aerosp	17.22	17.10	17.18	17.85
Brit Airways	5.73	5.63	5.71	5.71
BG	2.89	2.67	2.87	2.87
Brit Land	6.98	6.88	6.91	6.91
Brit Petm	8.27	8.15	8.18	8.23
BSkyB	4.75	4.25	4.53	4.46
Brit Steel	1.41	1.36	1.38	1.38
Brit Telecom	4.83	4.52	4.69	4.82
BTR	1.84	1.76	1.80	1.82
Burmah Castrol	10.62	10.27	10.62	10.40
Burton Gp	1.44	1.39	1.43	1.43
Cable Wireless	5.45	5.32	5.35	5.40
Cadbury Schw	6.38	6.20	6.38	6.34
Carlton Comm	4.48	4.35	4.46	4.48
Coml Union	9	8.70	8.96	8.98
Compass Gp	7.49	7.45	7.47	7.68
Courtaulds	3.10	3.01	3.02	3.07
Diageo	5.92	5.77	5.87	5.89
Dixons	6.17	6	6.03	5.99
Electrocomponents	4.55	4.51	4.55	4.52
EMI Group	4.65	4.44	4.55	4.51
Energy Group	6.56	6.45	6.46	6.45
Enterprise Oil	5.92	5.76	5.88	5.85
Foreign Colonial	1.73	1.71	1.71	1.73
Genl Accident	11.09	10.74	10.82	10.93
GEC	4.05	3.93	4.02	4.02
GKN	12.50	12.31	12.39	12.53
Glaxo Wellcome	14.62	14.20	14.38	14.50
Granada Gp	9.23	8.94	9.06	9
GRE	3.46	3.22	3.33	3.32
Greenalls Gp	4.27	4.20	4.23	4.20
GUS	8.43	7.40	7.43	7.52
Hays	8.45	8.33	8.29	8.16
HSBC Hldgs	15.35	14.78	14.95	15.37
ICI	9.75	9.24	9.53	9.53
Impl Tobacco	4.01	3.98	4	4
Kingfisher	8.55	8.44	8.47	8.45
Ladbroke	2.77	2.68	2.70	2.73
Land Sec	10.22	10	10.12	10.07
Lasmo	2.80	2.67	2.71	2.73
Legal Genl Grp	5.33	5.21	5.27	5.32
Lloyds TSB Gp	7.97	7.60	7.81	7.84
LucasVarity	2.07	2	2.01	1.98
Marks Spencer	6.09	5.70	5.98	6.01
MEPC	5.31	5.27	5.29	5.23
Mercury Asset	16.88	16.75	16.86	16.82
National Grid	2.92	2.74	2.98	2.84
Natl Power	6	5.86	5.96	5.99
NatWest	11.67	10.52	10.64	10.67
Next	6.97	6.88	6.90	6.91
Norwich Union	4.05	3.95	4.03	4
Orange	2.68	2.57	2.65	2.62
P&O	6.98	6.77	6.90	6.77
Pearson	8.23	7.84	7.99	8.24
Pilkington	1.25	1.23	1.24	1.23
PowerGen	8.25	7.88	8.16	8.20
Premier Farnell	4.16	4.07	4.15	4.15
Prudential	7.57	7.37	7.50	7.40
Railtrack Gp	9.75	9.40	9.60	9.66
Rank Group	3.43	3.35	3.39	3.40
Reckitt Colm	9.68	9.37	9.42	9.51
Redland	3.48	3.42	3.42	3.42
Reed Intl	6.40	6.18	6.20	6.19
Rentokil Initial	2.61	2.53	2.60	2.56
Reuters Hldgs	6.60	6.48	6.55	6.56
Rexam	2.87	2.82	2.85	2.87
RTZ reg	7.47	7.26	7.41	7.32
RMC Group	9.30	9.06	9.15	8.98
Rolls Royce	2.39	2.32	2.34	2.35
Royal Bk Scot	7.75	7.60	7.63	7.69
Royal & Sun All	6.32	5.70	6.21	6.17
Safeway	3.40	3.28	3.36	3.34
Sainsbury	5.13	5.08	5.11	5.10
Schroders	19.70	19.10	19.34	19.25
Scot Newcastle	7.85	7.52	7.54	7.57
Scot Power	5.79	5.17	5.20	5.24
Securicor	2.84	2.82	2.82	2.83
Severn Trent	10.15	9.95	10.05	10.10
Shell Transp R	4.58	4.43	4.48	4.58
Siebe	12.20	11.62	11.95	12.03
Smith Nephew	1.82	1.80	1.82	1.80
SmithKline	6.50	6.16	6.46	6.48
Smiths Ind	8.60	8.28	8.40	8.55
Sthern Elec	5.08	4.90	4.94	4.99
Stagecoach	8.10	8.05	8.05	8.14
Stand Charter	6.97	6.74	6.90	6.92
Tate & Lyle	4.95	4.88	4.92	4.93
Tesco	4.90	4.79	4.87	4.87
Thames Water	9.29	9.02	9.23	9.21
3i Group	5.14	5.05	5.11	5.11
TI Group	5.06	4.78	4.94	5.07
Tomkins	3	2.95	2.98	2.98
Unilever	5.15	4.98	5.10	5.16
Utd Assurance	5.32	5.28	5.30	5.28
Utd News	7.20	7.05	7.09	7.04
Utd Utilities	8	7.70	7.85	7.85
Vendome Lx uts	4.67	4.63	4.63	4.65
Vodafone	4.34	4.25	4.29	4.34
Whitbread	9	8.90	8.95	8.91
Williams Hdgs	3.50	3.32	3.35	3.40
Wolseley	5.30	5	5.08	5.08
WPP Group	2.67	2.44	2.66	2.67
Zeneca	21.70	19.58	20.80	20.76

Madrid
Bolsa index: 629.84 — Previous: 629.93

	High	Low	Close	Prev.
Acerinox	22560	22380	22550	22100
ACESA	2050	2020	2025	2040
Aguas Barcelon	6400	6250	6360	6290
Argentaria	9640	9530	9540	9680
BBV	4730	4690	4715	4690
Banesto	1530	1515	1520	1530
Bankinter	8450	8350	8370	8400
Bco Centro Hisp	3515	3435	3510	3440
Bco Popular	10880	10470	10500	10810
Bco Santander	4685	4635	4680	4670
CEPSA	4800	4650	4800	4770
Continente	2715	2690	2705	2690
Corp Mapfre	7900	7820	7880	7880
Endesa	2920	2890	2890	2905
FECSA	1285	1265	1270	1270
Gas Natural	8030	7850	8000	7850
Iberdrola	1990	1950	1990	1960
Pryca	2205	2175	2200	2190
Repsol	6460	6390	6450	6400
Sevillana Elec	1445	1420	1430	1435
Tabacalera	12140	11900	12070	12140
Telefonica	4605	4490	4500	4615
Union Fenosa	1470	1445	1455	1475
Valenc Cement	2940	2900	2925	2925

Manila
PSE index: 1846.89 — Previous: 1796.90

	High	Low	Close	Prev.
Ayala	15.25	14.50	15	14.25
Ayala Land	14.75	14	14.75	13.50
Bk Philip Isl	88	87	88	86.50
C&P Homes	2.53	2.40	2.50	2.34
Manila Elec A	79	77.50	78.50	77.50
Metro Bank	275	267.50	270	270
Petron	3.55	3.50	3.55	3.50
PCIBank	137	121	121	119
Phil Long Dist	885	860	860	845
San Miguel B	50	50	50	50
SM Prime Hdg	6.10	5.90	6	5.70

Mexico
Bolsa index: 5046.11 — Previous: 5112.84

	High	Low	Close	Prev.
Alfa A	55.40	54.50	54.50	55.40
Banacci B	23.80	22.70	22.70	23.20
Cemex CPO	36.65	36.20	36.20	36.65
Cifra C	17.70	17.20	17.36	17.70
Emp Modema	45.40	43.50	43.50	45.50
Gpo Carso A1	56.20	55.20	55.30	56.20
Gpo F Bcomer	3.18	3.10	3.10	3.19
Gpo Fin Inbursa	31.90	31.90	31.90	32.00
Kimb Clark Mex	36.50	35.70	35.70	36.50
Televisa CPO	157.50	155.00	156.60	156.00
TelMex L	21.40	20.80	20.95	21.38

Milan
MIB Telematico: 16206.00 — Previous: 16175.00

	High	Low	Close	Prev.
Alleanza Assic	17495	17140	17450	17180
Bca Comm Ital	5645	5490	5570	5550
Bca Fideuram	7700	7450	7500	7595
Bca di Roma	1550	1530	1535	1541
Benetton	28500	27700	28450	27800
Credito Italiano	5350	5240	5345	5285
Edison	10290	10125	10140	10115
ENI	10050	9890	9930	10045
Fiat	5190	5100	5125	5158
Generali Assic	42250	41850	42150	41900
IMI	21000	20100	20250	20650
INA	3325	3250	3305	3265
Italgas	6950	6810	6950	6820
Mediaset	8550	8420	8450	8480
Mediobanca	13600	13350	13350	13485
Montedison	1534	1502	1505	1526
Olivetti	1032	1015	1023	1011
Parmalat	2465	2385	2400	2445
Pirelli	4580	4510	4520	4510
RAS	16500	16310	16495	16400
Rolo Banca	25100	24850	25000	25800
S Paolo Torino	17280	16870	16985	17385
Telecom Italia	11100	10975	11015	10990
TIM	7710	7440	7710	7560

Montreal
Industrials index: 3231.56 — Previous: 3265.52

	High	Low	Close	Prev.
Bce Mob Com	37	36½	36½	36
Cdn Tire A	29.65	28.60	28.60	29¼
Cdn Util A	41¼	41	41	41
CT Finl Svc	54.35	53¾	54	53¾
Gaz Metro	17.80	17	17.80	17¾
Gt-West Lifeco	37	36.90	37	37
Imasco	51.90	50¼	50.70	51¼
Investors Grp	44.55	44.55	44.55	44½
Loblaw Cos	27.05	26¼	27.05	26¼
Natl Bk Canada	23.90	23.30	23¾	23.80
Power Corp	49.95	49.55	49.95	49.90
Power Finl	48.95	48¼	48¼	48.90
Quebecor B	26¾	26.30	26.70	26.70
Rogers Comm B	7.15	7.05	7.05	6.88
Royal Bk Cda	77¼	76	76.05	77.30

Oslo
OBX index: 664.70 — Previous: 670.94

	High	Low	Close	Prev.
Aker A	125	117	124	125
Bergesen Dy A	172	167	171.50	173
Christiania Bk	30	28.50	30	29.90
Den norske Bk	35.70	34.30	35.70	35.60
Elkem	92	88	89	90
Hafslund A	44	44	44	45
Kvaerner	367	357	365	368
Norsk Hydro	363	352.50	360	358
Norske Skog A	209	202	202	204
Nycomed Amer	175	174	174	182
Orkla A	625	616	625	626
Petrol Geo Svc	459	452	455	458
Saga Petm A	124	116	117	117
Schibsted	127	122.50	123	126
Transocean Off	335	335	335	330
Storebrand	52	50	50.50	50.50

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Paris
CAC-40: 2894.90 — Previous: 2893.25

	High	Low	Close	Prev.
Accor	1148	1119	1138	1129
AGF	318	314.70	316.90	317.10
Air Liquide	900	883	884	905
Alcatel Alsth	758	741	750	739
Axa-UAP	468	461.80	465.90	466.50
Bancaire	1020	1000	1006	1004
BIC	409	404.50	407.20	395.20
BNP	322.90	318.50	320	322.20
Canal Plus	1030	981	1008	1015
Carrefour	2999	2925	2940	2954
Casino	329	322	329	323.90
CCF	422	414	417.90	418
Cetelem	862	848	857	854
Christian Dior	578	566	570	576
Credit Agricole	1221	1221	1221	1221
Danone	1100	1073	1084	1100
Dexia Fran	688	676	686	681
Elf-Aquitaine	675	658	663	665
Eridania BS	977	960	965	974
Eurodisney	7.15	6.90	7	7.10
Eurotunnel	5.70	5.60	5.60	5.70
France Telecom	217	213.30	215.30	214
Gen. Eaux	811	792	797	789
Havas	434.90	418.30	424.60	436.30
Imetal	752	716	718	752
Lafarge	375.90	367.60	371.20	377
Legrand	1157	1135	1139	1155
L'Oreal	2257	2156	2169	2238
LVMH	953	928	943	945
Michelin B	293	284.90	285.50	289
Paribas A	513	504	505	500
Pernod Ricard	324.50	322.10	322.10	326
Peugeot Cit	730	699	729	681
Pinault-Print	3000	2951	2989	2998
Promodes	2349	2260	2332	2252
Renault	173	167.70	172.30	168.30
Rexel	1732	1701	1730	1709
Rh-Poulenc A	264.90	259	262.70	259
Sanofi	625	616	621	615
Schneider	317.40	308	313	305
SEB	797	787	798	795
SGS Thomson	346	333	336	336
Ste Generale	850	829	842	843
Sodexho	3040	2950	2980	3081
St Gobain	850	828	831	847
Suez (Cie)	15.90	15.90	15.90	15.85
Suez Lyon Eaux	669	654	656	660
Synthelabo	740	715	726	727
Thomson CSF	187.90	181	184.90	185
Total B	631	620	626	626
Usinor	83.50	81.60	83.40	82.40
Valeo	393	386	392.60	387.90

São Paulo
Bovespa index: 9484.86 — Previous: 9852.60

	High	Low	Close	Prev.
Bradesco Pfd	9.70	9.20	9.60	9.50
Brahma Pfd	750.00	730.00	740.00	740.00
Cemig Pfd	48.02	45.50	46.00	47.50
CESP Pfd	61.00	59.00	59.50	61.00
Copel	12.10	11.90	11.90	12.50
Eletrobras	56.00	54.00	54.50	57.50
Itaubanco Pfd	549.00	540.00	545.00	550.00
Light Servicos	420.00	400.00	405.00	416.00
Lightpar	300.00	275.00	275.00	282.00
Petrobras Pfd	247.00	233.00	240.00	249.00
Paulista Luz	143.01	141.00	143.00	143.00
Sid Nacional	31.50	30.00	30.99	31.00
Souza Cruz	9.01	9.00	9.00	9.00
Telebras Pfd	122.00	117.50	118.30	123.50
Telemig	120.00	118.00	118.00	122.50
Telerj	98.99	91.00	98.00	96.50
Telesp Pfd	282.00	273.00	277.00	287.00
Unibanco	44.00	42.30	42.30	44.00
Usiminas Pfd	5.95	5.70	5.71	5.87
CVRD Pfd	20.50	19.40	19.70	20.50

Market Closed

The stock market in Seoul was closed Thursday for a holiday.

Singapore
Straits Times: 1591.41 — Previous: 1549.51

	High	Low	Close	Prev.
Asia Pac Brew	4.36	4.28	4.28	4.32
Cerebos Pac	4.38	4.30	4.38	4.32
City Devlpt	8.10	7.45	8.05	7.40
Cycle Carriage	7.50	7	7.35	7
Dairy Farm Intl*	0.94	0.93	0.94	0.91
DBS foreign	14.80	14.40	14.90	14.50
DBS Land	2.83	2.70	2.80	2.70
Fraser & Neave	7.20	6.90	7.20	6.80
HK Land*	1.85	1.81	1.83	1.83
Jard Matheson*	4.46	4.36	4.46	4.40
Jard Strategic*	2.22	2.20	2.20	2.20
Keppel A	5.20	5	5	5.05
Keppel Bank	2.73	2.49	2.70	2.66
Keppel Fels	4.26	4.20	4.20	4.26
Keppel Land	2.70	2.60	2.64	2.57
OCBC foreign	10.80	9.80	10.40	9.70
OS Union Bk F	6.70	6.35	6.70	6.25
Parkway Hdgs	3.92	3.86	3.90	3.86
Sembawang	4.68	4.60	4.62	4.62
Sing Air foreign	11.60	11	11.50	10.90
Sing Land	4.12	3.96	4.04	4
Sing Press F	23.50	22.10	23.40	22.10
Sing Tech Ind	1.75	1.65	1.75	1.65
Sing Telecomm	3.02	2.95	3	2.94
Tat Lee Bank	2.54	2.50	2.52	2.50
Utd Industrial	0.67	0.63	0.65	0.65
Utd OSea Bk F	10.90	9.80	10.80	9.60
Wing Tai Hdgs	2.11	1.97	2.03	1.97

*: in U.S. dollars.

Stockholm
SX 16 index: 3224.46 — Previous: 3251.56

	High	Low	Close	Prev.
AGA B	101.50	97.50	99.50	101
ABB A	93	91	91.50	92.50
AssiDoman	198.50	193	195	195.50
Astra A	139	135.50	136.50	138.50
Atlas Copco A	225.50	223.50	224	225
Autoliv	290	275	275	282
Electrolux B	575	560	560	571
Ericsson B	298.50	293	296	299.50
Forenings Spar	191.50	188	190	191
Hennes B	345	328	334	342
Incentive A	695	692	693	690
Investor B	379	373	377	375
MoDo B	211	207	211	211
Pharm/Upjohn	280	276	278	281
Sandvik B	227	223	224	224
Scania B	185	180.50	182	183.50
SCA B	176.50	174	175	176.50
S-E Banken A	104	102	103	103.50
Skandia Fors	414	404	406	408
Skanska B	329.50	319	323	320.50
SKF B	168.50	164	166.50	165.50
Stora A	99.50	96	99.50	96.50
Sv Handels A	296	286	289	295
Volvo B	213.50	210	213.50	210.50

Sydney
All Ordinaries: 2542.10 — Previous: 2562.10

	High	Low	Close	Prev.
Amcor	6.60	6.39	6.60	6.43
ANZ Bkg	10.07	9.88	10	9.98
BHP	14.05	13.50	13.81	13.66
Boral	3.81	3.73	3.81	3.73
Brambles Ind.	30.25	29.80	30.20	30.29
CBA	17.40	17.16	17.38	17.25
CC Amatil	11.29	11.05	11.30	11.30
Coles Myer	7.65	7.55	7.59	7.62
Comalco	6.52	6.40	6.51	6.35
CSR	5.36	5.25	5.36	5.29
Fosters Brew	2.97	2.84	2.92	2.87
Goodman Fld	2.53	2.38	2.49	2.37
ICI Australia	10.95	10.65	10.70	10.90
Lend Lease	30.65	30.10	30.20	30.50
MIM Hdgs	1.04	1.01	1.01	1.02
Nat Aust Bank	21.45	20.85	21	21.47
Nat Mutual Hdg	2.72	2.59	2.68	2.73
News Corp	8.20	8.13	8.15	8.20
Pacific Dunlop	3.39	3.25	3.28	3.28
Pioneer Intl	3.94	3.85	3.92	3.88
Pub Broadcast	6.80	6.65	6.75	6.75
Rio Tinto	17.60	17.11	17.40	17
St George Bank	8.71	8.40	8.68	8.40
WMC	5.20	4.95	5.02	5.09
Westpac Bkg	9.50	9.39	9.45	9.50
Woodside Pet	11.13	10.85	10.88	11.15
Woolworths	4.94	4.85	4.88	4.90

Taipei
Stock Market index: 8253.85 — Previous: 8347.38

	High	Low	Close	Prev.
Cathay Life Ins	151	146	146.50	150
Chang Hwa Bk	97	92.50	92.50	96
Chiao Tung Bk	69.50	68	68.50	69
China Devlpmt	92.50	90.50	90.50	92
China Steel	24.70	24.50	24.50	24.70
First Bank	96	92	92.50	95
Formosa Plastic	67.50	65	65	66
Hua Nan Bk	100	96	96	99.50
Intl Comm Bk	57.50	56	56	56
Nan Ya Plastics	59	57.50	58	57.50
Shin Kong Life	110	103.50	103.50	108
Taiwan Semi	118.50	113	114.50	118.50
Tatung	37.20	36.80	36.80	36.90
Utd Micro Elec	67.50	65	65.50	67.50
Utd World Chin	60	59	59	59

Tokyo
Nikkei 225: 16161.44 — Previous: 16541.86

	High	Low	Close	Prev.
Ajinomoto	1260	1200	1200	1290
All Nippon Air	521	502	503	527
Amway	2450	2300	2450	2280
Asahi Bank	533	522	525	526
Asahi Chem	505	494	494	489
Asahi Glass	705	662	662	715
Bk Tokyo Mitsu	1900	1870	1880	1900
Bk Yokohama	325	318	318	319
Bridgestone	2910	2840	2870	2940
Canon	3110	3020	3050	3080
Chubu Elec	2030	2010	2020	2030
Chugoku Elec	1890	1870	1890	1880
Dai Nipp Print	2520	2480	2480	2550
Daiei	601	588	600	598
Dai-Ichi Kang	990	950	953	997
Daiwa Bank	308	300	308	308
Daiwa House	855	785	828	859
Daiwa Sec	492	480	485	482
DDI	3010a	2910a	2950a	3000a
Denso	2650	2440	2600	2490
East Japan Ry	5850a	5620a	5670a	5940a
Eisai	1900	1870	1880	1900
Fanuc	5020	4870	4870	4930
Fuji Bank	634	600	602	632
Fuji Photo	5290	5080	5140	5330
Fujitsu	1410	1390	1400	1420
Hachijuni Bk	1020	1000	1010	1020
Hitachi	959	945	951	962
Honda Motor	4700	4630	4680	4680
IBJ	1120	1100	1120	1120
IHI	240	232	232	245
Itochu	237	227	230	249
Ito-Yokado	6650	6520	6600	6500
JAL	359	343	348	357
Japan Tobacco	9050a	8090a	8100a	9090a
Jusco	1900	1820	1840	1790
Kajima	350	333	343	342
Kansai Elec	2220	2180	2180	2210
Kao	1880	1820	1880	1850
Kawasaki Hvy	250	240	240	245
Kawa Steel	180	172	172	181
Kinki Nipp Ry	695	680	693	687
Kirin Brewery	995	973	973	999
Kobe Steel	105	100	101	102
Komatsu	711	688	695	690
Kubota	416	398	399	415
Kyocera	6030	5950	5970	5950
Kyushu Elec	1900	1870	1890	1880
LTCB	240	229	235	239
Marubeni	240	230	230	230
Marui	2180	2090	2110	2130
Matsu Comm	3410	3310	3360	3310
Matsu Elec Ind	1870	1840	1850	1840
Matsu Elec Wk	1060	1030	1030	1060
Mitsubishi	1040	1020	1020	1040
Mitsubishi Ch	188	182	185	190
Mitsubishi El	339	320	325	344
Mitsubishi Est	1640	1590	1610	1610
Mitsubishi Hvy	528	521	528	521
Mitsubishi Mat	429	423	428	422
Mitsubishi Tr	1570	1510	1530	1590
Mitsui	886	860	877	871
Mitsui Fudosn	1360	1320	1330	1370
Mitsui Trust	253	241	245	250
Murata Mfg	3640	3580	3630	3590
NEC	1380	1360	1360	1380
Nikon	1420	1380	1400	1370
Nikko Sec	434	408	410	421
Nintendo	13400	11900	12100	12500
Nipp Express	650	625	643	654
Nippon Oil	385	373	378	398
Nippon Steel	202	193	193	204
Nissan Motor	552	536	545	553
NKK	121	110	110	122
Nomura Sec	1780	1740	1750	1750
NTT	1140b	1110b	1120b	1120b
NTT Data	6900b	6740b	6790b	6910b
Oji Paper	565	545	564	548
Osaka Gas	289	277	280	291
Ricoh	1650	1620	1640	1640
Rohm	13000	13000	13000	13000
Sakura Bk	503	490	490	498
Sankyo	2910	2850	2890	2890
Sanwa Bank	1540	1510	1520	1540
Sanyo Elec	377	365	368	382
Secom	8310	8200	8310	8150
Seibu Rwy	5990	5800	5800	5990
Sekisui Chem	772	740	749	784
Sekisui House	915	885	891	856
Seven-Eleven	9440	9300	9330	9390
Sharp	870	820	848	820
Shikoku El Pwr	1890	1860	1870	1890
Shimizu	328	305	317	330
Shin-etsu Ch	2660	2620	2620	2640
Shiseido	1940	1910	1930	1910
Shizuoka Bk	1330	1290	1330	1310
Softbank	2600	2420	2550	2400
Sony	11700	11500	11600	11800
Sumitomo	838	810	810	850
Sumitomo Bk	1550	1520	1520	1550
Sumit Chem	328	305	310	330
Sumitomo Elec	1820	1790	1790	1800
Sumit Metal	225	216	220	230
Sumit Trust	772	740	755	760
Taisho Pharm	3580	3330	3430	3360
Takeda Chem	3760	3700	3720	3730
TDK	10000	9700	9880	9850
Tohoku El Pwr	1950	1910	1950	1930
Tokai Bank	683	655	665	683
Tokio Marine	1380	1300	1350	1290
Tokyo El Pwr	2380	2330	2340	2370
Tokyo Electron	4850	4650	4690	4800
Tokyo Gas	304	297	299	304
Tokyu Corp.	547	518	528	540
Tonen	984	872	874	915
Toppan Print	1770	1700	1720	1760
Toray Ind	560	541	547	560
Toshiba	536	526	534	544
Tostem	1220	1150	1150	1220
Toyo Trust	810	801	810	805
Toyota Motor	3670	3570	3670	3630
Yamanouchi	3070	2990	3010	3120

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6538.68 — Previous: 6625.49

	High	Low	Close	Prev.
Abitibi Cons.	18.55	18.10	18.35	18.15
Alberta Energy	27.55	27.05	27.15	27.30
Alcan Alum	39.70	38.95	39¼	39½
Anderson Expl	14.65	14	14.15	14
Bk Montreal	63.70	62⅛	62.95	63⅛
Bk Nova Scotia	65⅛	64.95	65⅛	65.40
Barrick Gold	27.05	26.10	26.20	26.35
BCE	45.45	44⅛	44.95	45.35
BC Telecomm	45.85	44	44¼	46
Biochem Pharm	34¼	32.90	32.90	37.45
Bombardier B	29.90	29¼	29.45	29.80
Cameco	41¼	40½	41½	41
CIBC	45.90	45¼	45.40	45.80
Cdn Natl Rail	69.35	68	68¼	67.70
Cdn Nat Res	32	30¾	31.10	30.65
Cdn Occid Pet	32	31.45	31⅝	31.60
Cdn Pacific	38.15	37.30	37.45	37.60
Cominco	21⅛	20.80	20.85	21
Dofasco	22.80	22.60	22.60	22.70
Domtar	10.10	10	10	10
Donohue A	23.60	23	23½	23
Du Pont Cda A	35⅛	35	35⅛	36
EdperBrascan	26	25.10	25.10	26
Euro-Nev Mng	18	17.40	17.70	17¾
Fairfax Finl	318	312	318	315
Falconbridge	18.20	17.45	18	18.15
Fletcher Chall A	19.40	19	19	19.40
Franco Nevada	30	28	28¼	29.95
Gulf Cda Res	10.10	9.90	9.90	10.05
Imperial Oil	89.85	89.20	89.45	89.25
Inco	26¼	25.35	25.45	26
IPL Energy	63.40	62.40	63.10	62.35
Laidlaw B	19.15	18¾	18¾	19
Loewen Group	34.30	33.90	34.05	34
Macmill Bldl	15½	14.85	15	15.30
Magna Intl A	93.90	93.30	93.30	93.40
Methanex	11.85	11¼	11¼	11.90
Moore	21⅛	20¼	20½	21¼
Newbridge Net	50¼	49.70	50.20	49.85
Noranda Inc	25	24.35	24½	24.35
Norcen Energy	16.10	15.80	16	16
Nthern Telecom	128	124½	125½	127.80
Nova	13.60	13.45	13½	13½
Onex	29	28	29	29
Pancdn Petlm	23.10	22.45	22.65	23.15
Petro Cda	25.70	25.10	25.15	25.15
Placer Dome	18.05	17.20	17.40	17.55
Poco Petlm	12.40	11.55	12¼	11.40
Potash Sask	116.10	115¼	116	115.45
Renaissance	29¼	28.90	29.10	29.05
Rio Algom	25.90	24.60	24.80	24.90
Rogers Cantel B	13½	13.30	13½	13.30
Seagram Co	44.90	44.40	44.80	44.65
Shell Cda A	26.45	25½	26	26.95
Suncor	50.70	49½	49½	49.70
Talisman Eny	43.20	42¼	42.60	42.60
Teck B	20¼	19.60	20¼	20
Teleglobe	47	46½	46¼	46½
Telus	33.60	33	33.15	33.90
Thomson	38	37.40	37.65	38
TorDom Bank	54.15	53.60	54	53.80
Transalta	21.90	21¼	21.80	21.85
TransCda Pipe	31¼	31¼	31.45	31.10
Trimark Finl	65.95	65.10	65.30	66
Trizec Hahn	33.60	33.40	33.40	33.65
TVX Gold	4.29	3.95	3.95	4.10
Westcoast Eny	33	32.85	33	32.90
Weston	121	120	121	120

Vienna
ATX index: 1266.16 — Previous: 1265.17

	High	Low	Close	Prev.
Boehler-Uddeh	740	732	738.50	753
Creditanst Pfd	692.90	682	690	690
EA-Generali	3250	3215	3250	3240
EVN	1611	1586	1591	1608
Flughafen Wien	508.30	502.60	504.90	507
OMV	1724.50	1701	1717	1697
Oest Elektriz	1035	1021	1030	1023
VA Stahl	485.40	476	476.50	479.10
VA Tech	1949.50	1920	1927.90	1923.90
Wienerberg Bau	2433	2410	2415	2422

Wellington
NZSE-40 index: 2318.51 — Previous: 2297.74

	High	Low	Close	Prev.
Air N Zeald B	3.48	3.45	3.45	3.45
Briefly Invt	1.19	1.17	1.19	1.16
Carter Holt ord	2.57	2.50	2.56	2.52
Fletch Ch Bldg	4.05	4.00	4.00	4.05
Fletch Ch Eny	6.05	5.95	5.96	6.10
Fletch Ch Forst	1.41	1.38	1.41	1.38
Fletch Ch Paper	2.17	2.13	2.16	2.15
Lion Nathan	4.03	3.92	3.99	3.92
Telecom NZ	8.67	8.40	8.67	8.45
Wilson Horton	10.25	10.20	10.20	10.10

Zurich
SPI index: 3908.88 — Previous: 3905.65

	High	Low	Close	Prev.
ABB B	1832	1800	1820	1795
Adecco B	392.50	385.50	388.50	386.50
Alusuisse R	1420	1401	1409	1403
Ares-Serono B	2550	2430	2485	2455
Alel R	800	790	800	800
Baer Hdg B	2705	2650	2692	2635
Baloise Hdg R	2937	2855	2885	2890
BK Vision	1496	1488	1489	1492
Ciba Spec Chem	175	170	171.75	174.50
Clariant R	1196	1165	1179	1190
Crd Suisse Gp R	236.50	229.50	230	236
Elektrowatt B	550	549	549	551
Ems-Chemie	7285	7150	7260	7175
ESEC Hdg	3950	3745	3810	3710
Holderbank B	1183	1154	1175	1158
Liechtenstl LB B	565	565	565	562
Nestle R	2152	2122	2150	2154
Novartis R	2294	2269	2272	2289
Oerlikn Buehr R	198.75	193	198.50	196
Pargesa Hld B	1775	1765	1765	1800
PharmVisn B	880	865	874	867
Richemont A	1640	1600	1639	1635
Pirelli PC	303	298	303	301
Roche Hdg PC	13730	13560	13700	13500
SBC R	460	453.50	455	453
Schindler PC	1600	1550	1560	1590
SGS B	2840	2690	2720	2815
SMH B	830	813	820	832
Sulzer R	935	910	935	900
Swiss Reins R	2585	2545	2585	2568
SAir Group R	1880	1851	1875	1854
UBS B	2150	2125	2135	2117
Winterthur R	1725	1710	1722	1760
Zurich Assur R	682	656	671	674

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	171.93	−2.27	−1.30	+15.27
Regional Indexes				
Asia/Pacific	99.28	−1.16	−1.15	−19.57
Europe	192.67	−1.31	−0.68	+19.52
N. America	214.36	−4.34	−1.98	+32.35
S. America	144.60	−4.05	−2.72	+26.37
Industrial Indexes				
Capital goods	206.30	−4.64	−2.20	+20.70
Consumer goods	207.29	−2.70	−1.29	+28.41
Energy	195.36	−2.90	−1.46	+14.44
Finance	125.84	−1.14	−0.90	+8.05
Miscellaneous	148.38	−1.87	−1.24	−8.27
Raw Materials	164.25	−2.87	−1.72	−6.35
Service	171.59	−1.61	−0.93	+24.96
Utilities	166.18	−2.01	−1.20	+15.84

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NYSE

Thursday's 4 P.M. Close

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The Associated Press.

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Continued on Page 18

صكذا من الأصل

ASIA/PACIFIC

Was Hashimoto's Surprise Package 'Made in U.S.A.'?

By Clay Chandler
Washington Post Service

TOKYO — One of the most striking things about Prime Minister Ryutaro Hashimoto's unexpected call for a cut of more than $15 billion in income taxes is how few people knew it was coming.

Mr. Hashimoto, who has championed fiscal rectitude almost from the moment he took office, sprang the bolder-than-expected tax cut plan on a handful of key political allies moments after returning from a trip to Malaysia late Tuesday night. By midmorning Wednesday, he had briefed members of his cabinet and leaders of his party, then marched before the TV cameras to present his proposal to the public.

In this land famed for consensus, it was a stunning fait accompli.

"This is the first time since the end of World War II that the prime minister himself has taken the initiative to put forth a major economic policy proposal," said Makoto Utsumi, who was vice minister for international finance when Mr. Hashimoto was finance minister.

What makes Mr. Hashimoto's turnabout all the more intriguing — and perhaps politically risky — is that it came after weeks of increasingly insistent pressure from Washington, *leading some to snicker it* should bear the label "Made in the U.S.A." The Clinton administration launched a top-secret lobbying effort that included a flurry of communications to senior Japanese officials from the Treasury Department and the U.S. ambassador to Japan, Thomas Foley, as well as a hand-delivered appeal to Mr. Hashimoto from President Bill Clinton.

Immediately after Mr. Hashimoto's surprise announcement, pundits leapt eagerly to the conclusion that Japan's prime minister — who only months ago pushed a major deficit reduction plan through the legislature — had been forced by Washington to reverse course.

By nightfall Wednesday, it had become almost conventional wisdom here that Mr. Hashimoto's decision was yet another instance in which Japanese economic policy had been shaped by *gaiatsu* — literally, outside pressure — from America.

"Gaiatsu Moved the Prime Minister" declared a headline in Mainichi Shimbun, a leading daily. "Gaiatsu Forced the Decision" echoed the headline on a similar story in another daily, the Asahi Shimbun.

The letter from Mr. Clinton to Mr. Hashimoto, sources said, adopted a more urgent tone in expressing the view that U.S. officials have been repeatedly stressing in the past several months — that Japan's economy appears to be weaker than expected and that Tokyo should play a leadership role by helping to pull its *troubled Asian neighbors out of the* ditch. That position was forcefully conveyed to Mr. Hashimoto at the Denver summit of the Group of Seven leading industrial nations and at the meeting of Asia-Pacific leaders in Vancouver, British Columbia.

Officials from the Clinton administration said Wednesday that credit for the income-tax cut ultimately belongs to Mr. Hashimoto. "I think he looked at the economy, considered the risks and made a decision that this was a crucial moment," *one U.S. official said.*

Some analysts argued that Mr. Hashimoto may have been swayed less by U.S. arm-twisting than by appeals from leaders in Asia. Indeed, Mr. Hashimoto appears to have reached his final decision in Kuala Lumpur, where he attended a summit meeting at the beginning of the week with leaders from the Association of South East Asian Nations.

The ASEAN leaders expressed concern that it will be all but impossible for Asia's tigers to claw their way back to prosperity while the region's biggest economy is on its back.

Undoubtedly, the sharp deterioration in Japan's economic prospects after the wave of recent declines in Asian markets contributed to Mr. Hashimoto's decision.

Quietly, and without giving away which way he was leaning, sources said, Mr. Hashimoto began consulting a handful of advisers, including former Prime Minister Noboru Takeshita, early this month on whether he should bolster the stimulus package. He also talked on Dec. 10, for the first time in months, to Shizuka Kamei, a leader of an influential party group who has sparred with Mr. Hashimoto about the need for stimulus. Kamei said in an interview. Mr. Hashimoto's top aides only learned of his decision in late-night calls Tuesday.

Analysts Want Tough Reform for Banks

TOKYO — Prime Minister Ryutaro Hashimoto's surprise call for a $15.7 billion income tax cut provoked euphoria in Japan's financial markets.

But Wednesday's enthusiasm was short-lived: Stocks and bonds fell Thursday as many economists and analysts warned that any recovery would recede unless banking reforms in the economic stimulus package addressed the system's real problems.

The Liberal Democratic Party unveiled its plans Wednesday to bolster the nation's ailing banks, and even pessimistic observers agreed that the measures would provide protection against the prospect that a handful of small bank failures could set off a chain reaction that would bring down the entire financial system. But many expressed concern that the banking proposals may prolong the weakness of Japan's economy by numbing the pain of the banks' large portfolios of bad loans without healing the disease.

"My worry is that it will only make everyone here complacent," said Kathy Matsui, a strategist at Goldman, Sachs & Co.

"So far, I don't see any evidence of corporate restructuring, or that they're taking the tougher line that's needed for the banks," she added.

The ambiguity of the proposed bank stabilization plan is a key focus of such concerns. The proposal would make available as much as $77 billion for troubled banks.

But the governing party has yet to explain whether it wants to restrict those funds to protecting depositors, or if it also wants to prop up failing banks.

While the proposed income tax cut is much larger than expected, analysts say Japan's shell-shocked consumers are certain to save a good portion of it rather than spend it. Moreover, they say, the cuts must be weighed against tax increases and reductions in benefit programs enacted during the full fiscal year.

Meanwhile, sagging stock prices, say many, remain this economy's crucial vulnerability. Depressed share values mean banks face pressure to call in loans, putting a squeeze on business activity, or selling off stock and risking a bigger drop in the market. But few analysts say the policies announced Wednesday are likely to trigger a big increase in the market.

— CLAY CHANDLER

Investor's Asia

Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,754.11	10,692.70	+0.57
Singapore	Straits Times	1,591.41	1,569.51	+1.40
Sydney	All Ordinaries	2,563.10	2,562.10	+0.04
Tokyo	Nikkei 225	16,161.64	16,541.06	-2.29
Kuala Lumpur	Composite	577.58	556.79	+3.73
Bangkok	SET	387.38	376.16	+2.98
Seoul	Composite Index	Closed	418.49	-
Taipei	Stock Market Index	8,255.05	8,347.20	-1.10
Manila	PSE	1,846.09	1,796.90	+2.74
Jakarta	Composite Index	378.39	368.69	+2.63
Wellington	NZSE-40	2,318.51	2,297.76	+0.90
Bombay	Sensitive Index	3,472.35	3,487.02	-0.42

Source: Telekurs International Herald Tribune

Very briefly:

- **The United States** and **Japan** are on track to conclude an aviation accord that would open up the Asian-Pacific market, the Transport Ministry said after four days of talks in Tokyo. A new *round, scheduled for Jan. 20 to 22, will be in Washington.*
- **Salomon Smith Barney, Merrill Lynch & Co., Goldman, Sachs & Co.** and **J.P. Morgan & Co.** are among the U.S. firms vying to arrange a $9 billion bond sale for **South Korea**.
- **Hyundai Electronics Industries Co.** is considering cutting semiconductor prices following the decline of the won.
- **Jardine Fleming Bank** has postponed indefinitely sale of a *75 percent stake to the Beijing-controlled* **Ka Wah Bank** for 2 billion Hong Kong dollars ($258.1 million), saying the Asian market turmoil had made the sale impossible.
- **Sumitomo Bank Ltd.** abandoned negotiations on buying part of **Yamaichi Investment Advisory Co.**, a unit of the failed **Yamaichi Securities Co.** *Bloomberg, Reuters, AFX*

Jakarta Gets Warning On Its Credit Rating

Bloomberg News

JAKARTA — The Republic of Indonesia's credit ratings may be cut to below investment grade on concerns about its mound of foreign debt, Fitch IBCA, a ratings firm, said Thursday.

Fitch IBCA's BBB-minus rating for the Indonesian government has been put on ratings watch "with negative implications."

The agency said it was worried the fall of the rupiah — down 55 percent this year against the dollar — may push the government to do something rash. Indonesia has about $120 billion of foreign debt, *$65 billion of which is held by companies* and the rest held by the government.

On Tuesday, Standard & Poor's Corp. said nonperforming loans would climb sharply in the first half of 1998 and total at least 16 percent of total Indonesian bank loans by the end of the year.

KIA: *Despite Failure, Carmaker Has Grand Hopes for Future*

Continued from Page 13

Seoul headquarters. "Now is the time to reap all the fruits. All our lineups of new cars guarantee money coming in."

The optimism reflects in part the simple survival of a group that was placed under court receivership in July — and now is 45 percent owned by the government's Korea Development Bank. Kia Group executives make no secret of their plans for "restructuring," reducing the chaebol's 18 companies to about five, including Kia Motors. But they appear far more interested in getting *new models into production and onto* world markets than in downsizing.

"For the past 50 years we have been fully committed to the development of technology in Korea," Mr. Um said. "People view Kia as a people's company."

But Kia is burdened with a debt that ballooned to more than $10 billion as it built up its complex here over the past decade and expanded into other lines.

The start-and-stop style of assembly line production reflects not only Kia's troubles but a tangled web of integrating relationships spreading through the parts industry on which any motor vehicle manufacturer depends.

"The parts suppliers have money problems too," Mr. Dan said as the line ground to a halt with its row of glistening Shumas as well as Sportages and Sephias, both already being *exported to the United States and* other Western countries.

"They don't supply the parts on time," Mr. Dan said of suppliers. "Today we are missing frames for the Sportage." Sportages and Shumas roll out on the same line, he added, and the missing frames delay both.

Bankruptcies of key suppliers heighten the uncertainty. Mando Machinery, a key company in the bankrupt Halla Group, the No. 12 chaebol, is still supplying air conditioners and heaters — but no one knows for how long.

All 18,000 Kia Motors workers, from top management to assembly line worker, have accepted without complaint the loss of the bonus the company traditionally handed out around the end of the year.

Workers have also given up much of the overtime to which they had become accustomed.

*The union representing the work*ers is adamant, however, against layoffs as a solution.

"There will be no loss of jobs and no reduction in wages," said Yoon Young Mo, speaking for the Korean Confederation of Trade Unions.

Japan Punishes 2 Brokerages

Bloomberg News

TOKYO — The Ministry of Finance on Thursday barred Daiwa Securities Co. and Nikko Securities Co. from underwriting new government bonds and trading stocks on their own account as punishment for paying millions of yen to a gangster.

The ministry said Daiwa, the second-largest brokerage, would be punished for four months, from Dec. 25 to April 24. The penalties against Nikko, the No. 3 broker, will extend for 10 weeks, from Dec. 25 to March 4.

The penalties wrapped up Japanese authorities' investigation into one of the country's biggest financial scandals.

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LOBBY: *Clinton Takes Risk by Counseling Asians Long-Distance*

Continued from Page 13

several days because participants were not satisfied with South Korea's commitments to close failing financial institutions.

A $60 billion bailout, to reassure foreign lenders that South Korea and its companies can repay loans while also allowing Seoul to defend its currency, was announced Dec. 4.

With Japan, Mr. Clinton had less immediate effect. He and Mr. Rubin urged Mr. Hashimoto for months to stimulate domestic demand, chiefly with a tax cut to undo the damage done by a tax increase in April. But the prime minister resisted, saying that Japan's economy was on the way to recovery.

At the Vancouver conference, Mr. Hashimoto said he had been too optimistic. Mr. Clinton raised the pressure, declaring that it was up to Tokyo to lead Asia out of its troubles. Mr. Hashimoto announced sharp income tax cuts Wednesday.

"It is hard to say how much Hashimoto was influenced by Clinton," one Japanese diplomat said.

"He might have gotten there without Clinton because the markets were pushing him to act," a Japanese official said. "But the American shove was convenient. It's always safe to declare, 'Washington made us do it.'"

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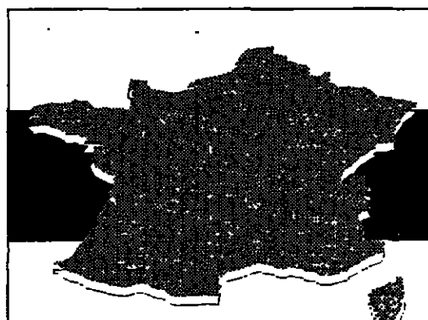
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The Associated Press

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Thursday's 4 P.M. Close

(Continued)

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WORLD ROUNDUP

Fighter in a Coma

BOXING Felix Bwalya, a Zambian light welterweight, was in a coma Thursday in Lusaka, four days after winning the Commonwealth title from Paul Burke, a Briton, in a controversial decision.

Bwalya was knocked down three times in the last three rounds of the bout and was on the canvas as the final bell sounded. He was admitted to Lusaka Teaching Hospital Tuesday after complaining of headaches. He then passed out and was put on life support. His condition on Thursday was critical.

Hilary Matyola, head of the Zambia Boxing Board of Control, said officials were discussing whether referee Hugo Mulenga should have stopped the 12-round fight. *(AP)*

Baker-Finch Struggles

GOLF Ian Baker-Finch, a former British Open winner, disqualified himself from the Coolum Classic on Thursday.

The Australian picked up his ball on the ninth hole after a nightmare start to the pro-am event on Australia's Sunshine Coast. Baker-Finch was six over par after eight holes and then twice drove into water on the ninth. *(Reuters, AP)*

3 Ranked Teams Fall

COLLEGE BASKETBALL Four days after beating then-No. 1 Duke, No. 21 Michigan lost 89-83 at home to Eastern Michigan of the Mid-American Conference.

Earl Boykins, who is just 5 foot 5 inches tall, scored 29 points for Eastern Michigan. Though Eastern Michigan and Michigan are less than 10 miles (16 kilometers) apart, this was their first meeting in five seasons.

In other upsets Wednesday, Clemson, playing without star point guard, Terrell McIntyre, beat No. 6 South Carolina 62-57, and Marshall beat No. 23 Wake Forest 73-66. It was Marshall's first victory over a ranked opponent since 1991. *(AP)*

Part-Timers Advance

SOCCER Part-timers Emley reached the third round of the English F.A. Cup for the first time in its 94-year history when it beat third division Lincoln 4-3 on penalties Wednesday. The game was tied 3-3 at the end of extra time. The Yorkshire club will visit premier league West Ham in the next round.

Goalkeeper Chris Marples, who played professionally for Chesterfield, York and Stockport before embarking on a career as a gardener, saved two Lincoln penalties in the shoot-out. *(Reuters)*

Reuters

CUP OF WORRY — Ricardo Texeira, president of Brazil's Soccer Confederation, showing off the World Cup as he listened to questions on Thursday about his strained relations with Pele, the sports minister of Brazil.

AFP

Seizinger celebrating on Thursday.

Seizinger Skis to Her 6th Straight Victory

At Val d'Isere, German Equals Killy's Record for Consecutive World Cup Triumphs

The Associated Press

VAL D'ISERE, France — Katja Seizinger won her sixth straight race Thursday to tie Jean-Claude Killy's record for consecutive World Cup victories.

Killy learned to ski at Val d'Isere, and Seizinger skied here in her youth.

"I started skiing here in Val d'Isere and Zermatt," Seizinger said. "I spent eight years in Les Menuires, so I really know the French Alps."

"Everything went smoothly again today," said Seizinger, who broke the women's record when she won four straight. "I'm happy that I can now be mentioned in the same breath as Killy."

Killy put together his record streak in January 1967, winning three downhills, two slaloms and a giant slalom. Seizinger has been favored by the schedule, with six consecutive speed events. She has not lost since finishing fourth in a parallel slalom Nov. 28 at Mammoth Mountain, California.

The German skied the course in 1 minute 7.09 seconds to beat Renate Goetschl of Austria by .02 second.

"I think I am realistic," Seizinger said. "I know it's always very, very close. Today, it was a new chance for everyone, and I had quite a lot of luck."

Hilde Gerg of Germany was third in 1:07.64 on a course of 1,695 meters (1.05 miles) with a drop of 510 meters (1,668 feet) and 30 gates.

Fourth was Stefanie Schuster of Austria, at 1:07.67, who had two runs down the hill after a timing malfunction on her first run. Michaela Dorfmeister of Austria was fifth.

Seizinger started the streak with a super-G victory at Mammoth Mountain, won two downhills and a super-G at Lake Louise, Alberta, then took the sprint downhill Wednesday at Val d'Isere.

With her 34th career victory, Seizinger broke a tie with former Liechtenstein racer Hanni Wenzel for third place on the women's career list.

Seizinger will face a tough test in the giant slalom Friday. Debbie Compagnoni of Italy is riding a seven-race winning streak in the discipline.

Compagnoni won the last giant slalom in Park City, Utah, by more than three seconds. Seizinger did not finish the second run after being third on the first run.

"I had a good first run but I took too many risks on the second," Seizinger said. "I went on the inside and skied out. it was a common mistake."

2-to-1 Victory Over Sao Paolo Wins Supercup For River Plate

Reuters

Marcelo Salas scored two goals in 11 minutes to give River Plate of Argentina a 2-1 victory over Sao Paulo of Brazil in the South American Supercup final.

River, the reigning Argentine champion, triumphed in Buenos Aires on Wednesday in the second leg of the two-

WORLD SOCCER

game tie. The first game, in Brazil, had ended in a scoreless draw in which River's Sergi Berti was ejected for kicking an opponent in the genitals.

Each team had a player sent off Wednesday. Marcelinho, a Sao Paulo midfield player, was sent off in the 30th minute. His dismissal gave River a one-man advantage until Leonardo Astrada was shown the red card in the 70th minute. All the goals came while River had an extra man.

Salas scored his first in the 47th minute, punching the ball into the goal from close range following a cross from the right. Dodo of Sao Paulo equalized one minute later with a shot from outside the penalty area. In the 57th minute, Salas pulled down a lobbed pass with his foot, then dribbled past two defenders before scoring again.

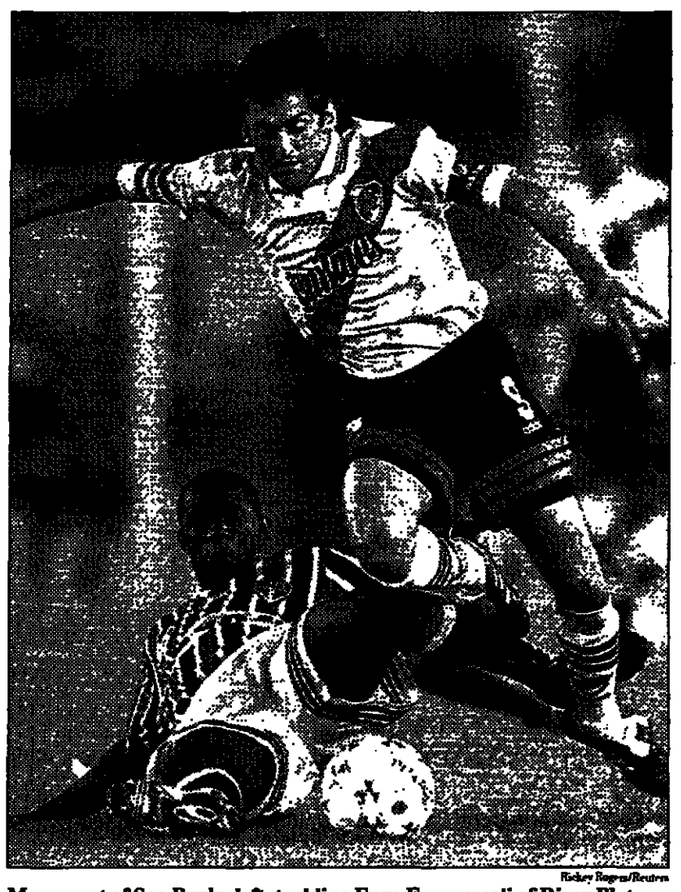
River missed a penalty kick in the 10th minute. Roger, the Sao Paulo goalkeeper, saved the shot by Enzo Francescoli, River's veteran from Uruguay. Sao Paulo protested both the penalty award and Marcelinho's expulsion from the game. "We were playing against the referee," said Serginho, a Sao Paulo defender.

- Atletico Mineiro of Brazil won the Conmebol Cup for the second time even though it could only draw, 1-1, at home in Belo Horizonte against Lanus of Argentina. Lanus had six players suspended following a brawl in the first leg.

Atletico led Lanus, the defending champion, 4-1, from the first leg last month. That match ended in chaos as Lanus players, officials and fans attacked the Mineiro team.

PORTUGAL Humberto Coelho, a former defender for Portugal's national team and for Benfica of Lisbon, was named the national team's coach on Thursday. Coelho, 47, replaces a former Benfica teammate, Artur Jorge, who quit the post after Portugal failed to qualify for the 1998 World Cup finals in France.

- Mario Jardel came on as a second-half substitute and scored seven goals as Porto beat second-division Juventude Evora, 9-1, in the fifth round of the Portuguese Cup on Wednesday night. Jardel scored his first four goals in a space of 12 minutes.



Ricky Rogers/Reuters

Monserrat of Sao Paulo, left, tackling Enzo Francescoli of River Plate.

Problems Multiply for Sammer

The Associated Press

FRANKFURT — Matthias Sammer, the ailing sweeper of the German national soccer team, is suffering from a hyperactive thyroid gland and may also have kidney problems, according to reports published Thursday.

Sammer told Kicker, a German soccer magazine, that he was taking medication for his thyroid problem.

The Bild newspaper reported that Sammer had developed kidney problems, possibly as a result of anesthesia during several knee operations.

Sammer, 30, Europe's Player of the Year last season, had a fifth operation on his left knee Oct. 6 and had to have additional surgery days later to treat a bacterial infection. He spent four weeks at a clinic in Bavaria for rehabilitation work on the knee and afterward was hospitalized for two weeks of tests that helped diagnose his thyroid problem.

Asked if he had given up hope to play for Germany at the World Cup in France next summer, Sammer replied: "Absolutely not! I want to go to France. I have to get fit early so that I can have enough time to prepare. I hope that everything will be fine."

Meanwhile Sammer's club, Borussia Dortmund, has acquired Manfred Binz, from the Italian club Brescia. Binz, a German veteran, plays sweeper. Sammer's position.

Sammer appeared to be upset that he was not told about the deal in advance.

Ronaldo Kicks Up a Fuss About European Skills

Brazil's Coach Describes Him as 'Tired, Stressed'

Compiled by Our Staff From Dispatches

Ronaldo was scathing about the attacking skills in European soccer in an interview published Thursday, while his national coach was critical of the striker's condition.

"There is nothing Brazilian players can gain technically when they come to Europe. Absolutely nothing. From that point of view there's nothing to talk about," Ronaldo told World Soccer magazine, which selected him its player of the year.

"But Brazilian players do gain added value when they transfer to Europe because, whereas every Brazilian player knows how to go forward, it's only in Europe that they learn how to defend properly so that they develop into all-round footballers," he continued.

"They learn how to defend, how to work, how to suffer for a result. It's an important learning process."

Ronaldo said that playing in Italy was far more difficult than in Spain, where he starred for Barcelona.

"I did not realize how much harder it would be," he said. "Off the pitch I've not had problems. But in Spain the tactical options are different. There's much more space for players, which makes it easier."

In Italy, Ronaldo has been nicknamed *Il Fenomeno*.

"I don't understand all this sudden amazement," Ronaldo recently told the Italian media. "I was already good when I was just 16 — poor but good nevertheless. I just get on with my work and try to do it the best I can.

Italian newspapers reported on Thursday that Mario Zagallo, the Brazilian national coach, is worried that Ronaldo, who plays for Inter Milan, the Italian League leader, is in poor shape.

"He's very tired, stressed," the coach said. "Both in his legs and head. He's absent on the field, with his thoughts elsewhere. A Ronaldo like this is no good to Brazil or, above all, himself."

Zagallo spoke with reporters in Saudi Arabia, where Brazil is competing in the Confederations Cup exhibition tournament.

"What worries me is his silence," Zagallo said. "He never came to me and said, 'Coach, I'm tired. Let me rest.' Instead, he speaks little, less than usual, as though something was making him sad."

Ronaldo has played 73 official matches in 1997, counting action with Brazil, Inter and, last season, Barcelona. Inter acquired Ronaldo from Barcelona during the summer in a deal worth at least $55 million.

Ronaldo, who has a sore shoulder, was expected to be held out of Brazil's semifinal against the Czech Republic on Friday. Uruguay plays Australia in the other semifinal.

Ronaldo said in Riyadh on Thursday: "I don't want to make any excuses and I want to play."

Zagallo said, "I hope that the too many games and excessive responsibility that he's been dealing with for over a year don't change his character or way of thinking.

"He's only 21 years old, and to last he has to keep playing with joy."

For a 21-year-old, Ronaldo sounds weary.

"Time is the one thing I don't have," Ronaldo told the Italian media. "I've thought of asking Santa Claus for more of it, but I know even he can't help me. I never have time to be with my family, to see places, to relax with my friends. All that'll have to wait until I stop playing." *(AP, Reuters)*

A Prince of Self-Promotion Seeks To Become King of Featherweights

Vantage Point / **DAVE ANDERSON**

New York Times Service

NEW YORK — In boxing's steady surrender to wrestling's show biz instead of biz, the houselights at Madison Square Garden will darken Friday night, music will thump and Prince Naseem Hamed will disco-dance through psendo smoke along a 200-foot runway to the ring, somersault over the top rope and land on the canvas. Feet first, presumably.

In England, where the prince lived with his Yemeni parents who owned a grocery store in Sheffield, his entrances have taken as long as 20 minutes. He has been asked to trim his Garden arrival to 10 minutes.

He is not really a prince, of course, even if he is the World Boxing Organization featherweight champion. Quite modestly, he calls himself prince because he concedes that he is not really a king yet, that he needs a few more knockouts, beginning Friday night against Kevin Kelley, from Queens, who disagrees.

"Nobody can knock me out," Kelley shouted at the mandatory shout-in for the television cameras, alluding to his 47-1-2 record with 32 knockouts. "Nobody's ever going to knock me out."

"You wouldn't be in the Garden if it wasn't for me," the prince shouted back in his British accent. "You're going to get knocked out. I'll create a nice job for you putting my posters up in Times Square. Make sure there are no creases in 'em."

Obviously, the prince has the mouth. He has the record: 28-0 with 26 knockouts. He has the money: $12 million in the last year. He has nearly a dozen fancy cars.

But the prince better not be a pauper as a boxer. Cynics grumble, "Who'd he beat?" Is he more talk than talent? He doesn't seem to impress Junior Jones, the WBO superbantamweight champion from Brooklyn, who will defend his title against Kennedy McKinney before the prince's entrance.

Asked by his trainer, Lou Duva, how he would fight the prince, Jones never hesitated. "Step on his feet," he said.

And when Dino Duva, the Main Events promoter, was asked who had been the prince's toughest opponent, he shrugged. "Tom Johnson," Duva said, meaning the then International Boxing Federation champion, "but Tom was a shot fighter."

Another theory is that the Garden, where big fights have been few and far between in recent years, was so desperate for an attraction that it had to import not only a British boxer, but also a 126-pound featherweight, roughly half as big as George Foreman.

But half a century ago, featherweights filled the old Garden. Willie Pep and Sandy Saddler created two classics there in 1948 and 1949 before moving to Yankee Stadium in 1950 and the Polo Grounds in 1951; Saddler won their first, third and fourth fights by knockout.

Even so, Pep is still considered perhaps the best pure boxer in history. Of his 242 bouts, he won 230, with only 65 knockouts. He is said to have once won a round on points without throwing a punch.

Through the years, some of boxing's best names were featherweight champions: Henry Armstrong, Alexis Arguello, Eder Jofre, Tony Canzoneri, Salvador Sanchez, Ruben Olivares, Chalky Wright, Kid Chocolate, Wilfredo Gomez, Young Griffo, Johnny Dundee.

But the prince's inspiration, not surprisingly, has been Muhammad Ali.

"I watched *Ali*'s fights on tape," he said. "I loved his style. I loved the way he fought. I loved the way he conducted himself. I loved the way he used to predict. Everything about the man. He's a living legend. He's my idol. I truly believe he was the greatest."

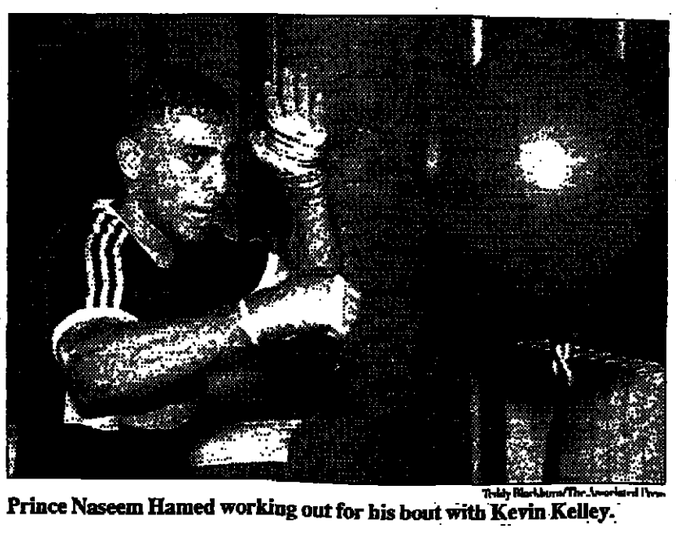
Although the prince has said he can fight five ways, even left-handed occasionally, and that Ali could only fight one way, he doesn't pretend to be better than Ali.

"No way I'm better than him," the prince said. "He's on a platform of his own. I'm a totally different fighter. You can't put my tapes on and study my fights because I fight differently in every fight."

And his entrances are always a little different.

"The whole atmosphere," he said. "The music, the way I'm going to parade down to the ring and do that full somersault over the top rope is going to be good. And the best thing about it, I'm going to come out of the ring a winner."

But suppose the prince doesn't win. Will he dance on that runway as he leaves?



Teddy Blue Ukers/The Associated Press

Prince Naseem Hamed working out for his bout with Kevin Kelley.

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هكذا من الأهل

SPORTS

New Pact Gives Lindros $16 Million Over 2 Years

The Associated Press

PHILADELPHIA — Eric Lindros signed a deal with the Philadelphia Flyers worth $16 million over two seasons, giving him the highest average salary in NHL history.

The agreement increases Lindros's salary of nearly $4 million for this season to $7.5 million, and provides him $8.5 million for the 1998-99 campaign, said Ed Snider, the Flyers' president.

Lindros could have become a restricted free agent after this season, so the Flyers bought one more year. "The biggest part was to remain a Flyer, and that I've been able to accomplish," Lindros said.

The pact began to take shape Wednesday in a series of telephone calls between Snider and Carl Lindros, the player's father and agent, who is based in Toronto.

The two parties exchanged proposals for two- and three-year contracts. The Flyers wanted a three-year deal, but eventually settled for a pact that runs through next season.

Snider, asked why Lindros and his father had not sought a longer-term deal, said: "They're concerned with where the market is going, and they don't want to be tied down to any number. Things have escalated at such a rapid rate that they don't want to look foolish and they want to know they're in the marketplace."

A week ago, Paul Kariya, a left wing with the Anaheim Mighty Ducks, signed a contract paying him $5.5 million this season and $8.5 million for next year, raising the ante for Lindros and the Flyers.

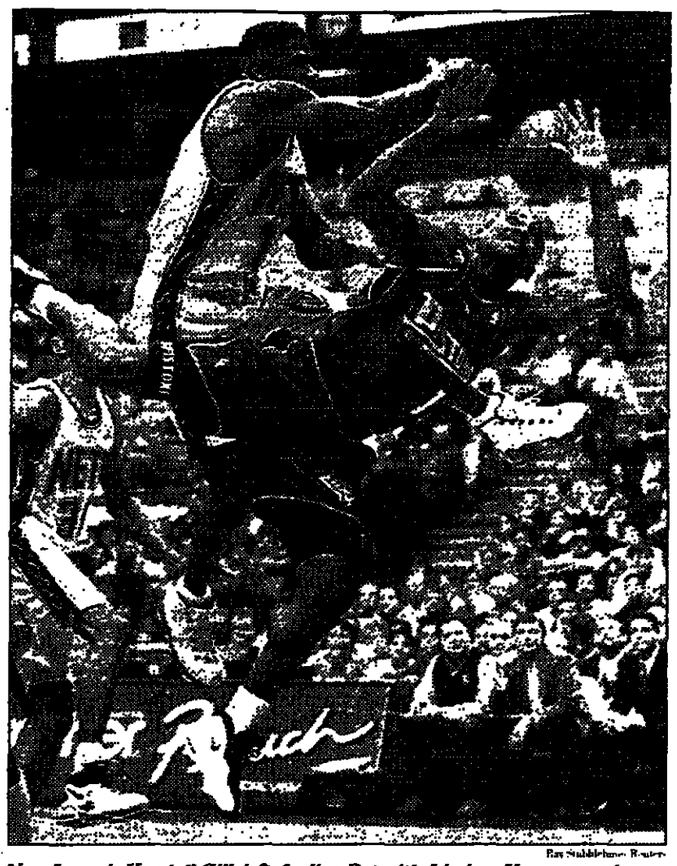
Joe Sakic of the Colorado Avalanche is the highest-paid NHL player this year, making $17 million. But $15 million of that comes from a signing bonus, and he will receive a comparatively small $2 million a year in the remaining two seasons of his contract.

Lindros will not even be the highest paid Flyer this season, as Philadelphia signed Chris Gratton to a contract that will pay him $10 million. But $9 million of that is a signing bonus. Gratton's overall five-year deal is worth $16.5 million.

The Flyers were negotiating a new deal with Lindros earlier this year, and the two parties appeared close to an agreement. But talks abruptly broke off in September.

Lindros is in the final year of a $22-million, six-year contract he signed when the Flyers obtained him in 1992 in a trade with the Quebec Nordiques for six players, two draft choices and $15 million.

Lindros made $4.18 million last year, but his pay dropped to $3.74 million this season because the bonus he got when he signed in 1992 was only paid out over the first five years of the deal.



Ray Stubblebine/Reuters

New Jersey's Kendall Gill, left, fouling Detroit's Lindsey Hunter on a layup.

Has Beens? Not Quite, Say the Raging Bulls

Jordan Duels With Bryant in Rout of Lakers

The Associated Press

Shaquille O'Neal wasn't there. Scottie Pippen was, but he was wearing a designer suit. So it may be wrong to read too much into what Chicago Bulls did to the Los Angeles Lakers.

Still, the reigning NBA champions, mired in 5th place in the Central Division, simply wiped the floor with the Lakers on Wednesday night, jumping out to an early double-digit lead and never letting up as they earned a 104-83 victory in a much-anticipated matchup of two of the league's most entertaining teams.

"Until someone knocks us off the block, we're still king of the hill," said Michael Jordan, who hit 12 of his 22 shots and scored 36 points.

The Lakers' Kobe Bryant, a player described by many as the heir to Jordan in terms of talent, scored a career-high 33 points. But 16 came in the last quarter after the game's outcome was decided.

Chicago's starters outscored their L.A. counterparts, 52-24, in the first half as the host Bulls took a 57-41 lead. The Lakers got no closer than 16 in the second half.

Hawks 94, Cavaliers 83 In Atlanta, Steve Smith scored 23 points and the Hawks, bolstered by the return of Alan Henderson, pulled away in the fourth quarter to extend their winning streak to four games.

The Hawks were coming off a four-game West Coast trip in which they won the final three games. The Cavaliers lost for the second time in three games after a 10-game winning streak.

Pacers 87, Knicks 80 Patrick Ewing led the Knicks with 23 points and 12 rebounds, but he missed two shots from in close with New York challenging late in the game and the Knicks lost their sixth straight road game.

"Our defense was excellent from the last two or three minutes of the first quarter through the rest of the game," said Larry Bird, the Indiana coach.

Spurs 98, Grizzlies 87 David Robinson scored 33 points and Avery Johnson had another 20-assist game as San Antonio survived a midgame lull to beat Vancouver.

Johnson also had a career-high 20 assists last week in a victory over the Clippers. Tim Duncan added 19 points and 13 rebounds for the Spurs, who opened a four-game homestand with their fourth straight victory.

Nets 105, Pistons 101 Keith Van Horn snapped a tie with a three-point play with 1:12 to go as New Jersey broke its 11-game losing streak against visiting Detroit. Van Horn finished with 22 points.

Hornets 99, Bucks 90 Vlade Divac had 21 points, 12 rebounds and four assists as Charlotte matched its best-ever home start at 10-2.

"I saw a lot of good things out there," said Anthony Mason, the Charlotte forward. "There was a lot of unselfish play. It was a great team effort. Our offense has a lot of playmakers who can step up and make big plays when we need them."

Timberwolves 94, 76ers 90 Tom Gugliotta scored a season-high 30 points as Minnesota snapped a five-game road losing streak by staging a fourth-quarter comeback in Philadelphia.

The 76ers were ahead, 85-75, with 6:34 to play before the Timberwolves reeled off a 16-3 run. The catalysts were Gugliotta, who scored eight of the 16 points, and Stephon Marbury, whose passing and shooting keyed the spurt.

Wizards 88, Heat 74 The Wizards raced to a 32-12 lead after one quarter and Rod Strickland had 21 points, eight assists, eight rebounds and four steals as Washington improved its record at the MCI Center to 6-0.

Alonzo Mourning, activated from the injured list earlier in the day, came off the bench and had 24 points on 9-for-16 shooting. He had nine rebounds, four blocks and six turnovers but committed a flagrant foul and a technical in 28 minutes. Tim Hardaway, the Heat's leading scorer, was held scoreless.

Celtics 88, Raptors 83 In Toronto, Antoine Walker had 18 points and nine rebounds, and Chauncey Billups shot 10-of-11 from the feul line and finished with 18 points for Boston.

NBA Roundup

Underdogs of the Ice Chalk Up a Winning Night

The Associated Press

Tampa Bay, Toronto and Vancouver, all last in their respective divisions all won on the same night. On Underdog Night in the NHL, the struggling New York Rangers even managed to win at Florida.

Canucks 5, Coyotes 1 "We have to win lots of games to get back in the playoff race," Pavel Bure said after his goal and two assists against Phoenix gave Vancouver two straight victories for only the third time this season.

Trevor Linden, Gino Odjick, Dana Murzyn and Jyrki Lumme joined Bure in scoring for the Canucks, who won for just the second time in their last eight games and extended the Coyotes' winless streak to eight games.

Lightning 2, Bruins 0 Corey Schwab made 31 saves for Tampa Bay's first shutout this season.

Vladimir Vujtek's first-period goal and Dino Ciccarelli's late empty-netter helped Tampa Bay extend its home unbeaten streak to six games. Boston had a five-game winning streak snapped.

Maple Leafs 6, Mighty Ducks 2 Mats Sundin put the game out of reach with a pair of third-period goals 20 seconds apart, and Darby Hendrickson also scored twice as Toronto won at Anaheim.

Rangers 4, Panthers 2 Mike Eastwood scored two goals — his first of the season — and Pat LaFontaine had another game-winner as the Rangers won for the second time in 13 games.

Blackhawks 0, Oilers 0 Goalies Curtis Joseph and Jeff Hackett dueled for 65 minutes as Edmonton and Chicago played to a tie.

Islanders 4, Sabres 0 In New York, Tommy Salo stopped 28 shots as the New York Islanders extended their unbeaten streak to three in a rough game, marred by 114 penalty minutes.

Red Wings 2, Avalanche 2 Peter Forsberg scored with 2:15 left in regulation to help Colorado tie Detroit in a rematch of last season's Western Conference finalists.

NHL Roundup

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Orlando	16	8	.667	—
Miami	15	8	.652	½
New York	14	10	.583	2
New Jersey	13	10	.565	2½
Boston	11	12	.478	4½
Washington	11	14	.440	5½
Philadelphia	6	16	.273	9

CENTRAL DIVISION

	W	L	Pct	GB
Atlanta	19	5	.792	—
Charlotte	15	7	.682	3
Cleveland	15	8	.652	3½
Indiana	15	8	.652	3½
Chicago	15	9	.625	4
Milwaukee	11	12	.478	7½
Detroit	11	14	.440	8½
Toronto	2	22	.083	17

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	13	7	.650	—
Utah	14	9	.609	½
San Antonio	14	10	.583	1
Minnesota	10	13	.435	4½
Vancouver	9	16	.360	6½
Dallas	5	18	.217	9½
Denver	2	20	.091	12

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	19	5	.792	—
L.A. Lakers	18	6	.750	1
Phoenix	13	8	.619	4½
Portland	13	9	.591	5
Sacramento	8	16	.333	11
Golden State	5	16	.238	12½
L.A. Clippers	4	20	.167	15

WEDNESDAY'S RESULTS

Miami 12 20 21 21— 74
Washington 32 16 21 19— 88
M: Mourning 9-16 6-9 24, Lenard 6-14 0-0 15. W: R.Strickland 7-12 7-9 21, Cheaney 7-11 3-5 17. Rebounds—Miami 72 (Austin 13), Washington 44 (Webber 10). Assists—M..17 (Hardaway 6), W. 19 (R.Strickland 8).

Boston 17 25 24 22— 88
Toronto 22 13 26 22— 83
B: Walker 8-22 2-4 18, Billups 3-8 10-11 18; T: McGrady 7-11 3-4 17, Christie 5-12 5-6 15. Rebounds—Boston 39 (Walker 9), Toronto 47 (Miller 8). Assists—Boston 20 (Walker 6), Toronto 20 (Stoudamire 5).

New York 25 15 20 20— 80
Indiana 22 21 23 21— 87
N.Y.: Ewing 10-22 3-7 23, Mills 5-10 2-2 12; I: Smits 8-15 2-2 18, Miller 4-12 5-6 14. Rebounds—New York 55 (Oakley 15), Indiana 58 (D.Davis 9). Assists—New York 17 (Oakley 4), Indiana 23 (Rose 6).

Detroit 27 27 12 35—101
New Jersey 28 25 28 24—105
D: Hill 10-19 5-8 25, B.Williams 9-15 0-0 18; N.J.: Gill 8-14 5-7 22, Van Horn 7-18 6-6 22. Rebounds—Detroit 45 (Hill, B.Williams 10), New Jersey 56 (Ja.Williams 22). Assists—Det. 21 (Hill 6), N. Jersey 24 (Cassell 11).

Minnesota 22 28 16 28— 94
Philadelphia 19 28 24 19— 90
M: Gugliotta 13-25 4-4 30, Garnett 7-17 1-2 15; P: Iverson 7-17 5-8 22, Jackson 5-11 2-2 12, Stockhouse 4-11 3-7 12. Rebounds—Minnesota 58 (Roberts 10), Philadelphia 57 (Cummings 11). Assists—Minn. 27 (Iverson 14), Philadelphia 23 (Stockhouse, Iverson 6).

Milwaukee 25 18 29 27— 98
Charlotte 25 34 15 25— 99
M: Robinson 10-16 2-2 24, Allen 6-16 10-11 24; C: Divac 9-16 3-5 21, Mason 9-14 1-4 19. Rebounds—Milwaukee 39 (Hill 18), Charlotte 45 (Divac 12). Assists—Milwaukee 20 (Perry 8), Charlotte 28 (Wesley 12).

Cleveland 23 29 18 22— 83
Atlanta 23 28 25 26— 96
C: Kemp 6-16 8-10 20, D.Anderson 7-12 6-6 20; A: Smith 7-14 7-7 23, Loehner 8-10 2-2 18. Rebounds—Cleveland 51 (Ilgauskas 14), Atlanta 37 (Loehner 9). Assists—Cleveland 11 (Ilgauskas, Knight, D.Anderson 3), Atlanta 23 (Blaylock 7).

L.A. Lakers 28 21 28 22— 83
Chicago 22 25 23 34—104
L.A.: Bryant 12-20 6-9 33, Campbell 6-15 3-3 15; C: Jordan 12-22 11-12 36, Longley 10-13 3-4 23. Rebounds—Lakers 47 (Harry 6), Chicago 61 (Rodman 14). Assists—Lakers 18 (Van Exel 5), Chicago 31 (Kukoc 8).

Vancouver 28 32 17 18— 87
San Antonio 28 19 27 24— 98
V: Abdur-Rahim 6-18 12-14 24, Reeves 10-20 3-3 23; S.A.: D.Robinson 13-22 7-12 33, Duncan 7-16 5-7 19. Rebounds—Vancouver 51 (Daniels 10), San Antonio 57 (Duncan 13). Assists—Vancouver 17 (Daniels 6), San Antonio 30 (Johnson 20).

Top College Scores

Clemson 62, South Carolina 57
Florida State 77, North Carolina-Asheville 60
Mississippi 100, Belmont 59
Eastern Michigan 89, Michigan 83, OT
Marshall 73, Wake Forest 66

ICE HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	23	9	0	46	98	58
Philadelphia	19	9	6	44	97	76
Washington	15	12	7	37	101	93
N.Y. Islanders	14	15	5	33	93	89
N.Y. Rangers	10	15	11	31	94	101
Florida	11	18	5	27	84	106
Tampa Bay	7	21	5	19	60	103

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	18	10	7	43	96	81
Montreal	18	13	4	40	103	88
Boston	16	13	5	37	86	86
Ottawa	14	16	4	32	84	80
Carolina	13	16	5	31	89	95
Buffalo	10	16	6	26	80	93

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	22	9	4	48	114	75
Detroit	19	9	7	45	113	87
St. Louis	20	12	3	43	101	81
Phoenix	13	15	6	32	89	97
Toronto	11	16	5	27	73	86
Chicago	10	17	7	27	72	86

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	18	8	10	46	107	90
Los Angeles	12	14	6	30	92	94
Anaheim	12	16	6	30	78	101
Edmonton	11	16	8	30	82	101
San Jose	13	18	3	29	87	98
Calgary	10	18	7	27	91	105
Vancouver	11	19	4	26	103	117

WEDNESDAY'S RESULTS

Buffalo 0 0 0—0
N.Y. Islanders 2 1 1—4
1st Period: New York, Jonsson 6 (Reichel, Berard) (pp). 2. New York, Reichel 14 (Palffy, Jonsson) 2d Period: New York, Reichel 15 (Green, Berard) (pp). 3d Period: N.Y.- Palffy 16, (sh). Shots on goal: B- 7-11-10—28. N.Y.- 8-13-8—29. Goalies: B-Hasek. N.Y.- Salo.

Boston 0 0 0—0
Tampa Bay 1 0 1—2
1st Period: T-Vujtek 2 (Brousseau) 2d Period: None. 3d Period: T-Ciccarelli 5 (Dykhuis) (en). Shots on goal: B- 12-11-8—31. T- 3-7-6—16. Missed penalty shot—Heinze, Bos. first. Goalies: B-Dafoe. T-Schwab.

N.Y. Rangers 0 1 3—4
Florida 0 1 1—2
1st Period: None. 2d Period: New York, Skrudland 4 (Kovalev, Samuelsson) 2. F-Whitney 10 (Svehla, Gagner) (pp). 3d Period: F-Wells 3 (Dvorak, Murphy) (sh). 4. New York, Eastwood 1 (Samuelsson) 5; New York, LaFontaine 16 (Lindsam, Leetch) 6. New York, Eastwood 2 (Langdon, Stock) Shots on goal: New York 12-12-16—40. F- 9-9-11—29. Goalies: New York, Richter. F- Vanbiesbrouck.

Detroit 0 1 1 0—2
Colorado 0 1 1 0—2
1st Period: None. 2d Period: C-Lemieux 11 (Sakic, Deadmarsh) 2, D-Shanahan 16 (Larionov, Lidstrom) (pp). 3d Period: D-Halmstrom 3 (McCarthy, Rouse) 4, C-Forsberg 13 (Lemieux, Ozolinsh) Overtime: None. Shots on goal: D- 10-13-13-4—40. C- 11-6-7-4—28. Goalies: D-Osgood. C-Billington.

Vancouver 2 3 0—5
Phoenix 1 0 0—1
1st Period: V-Linden 7 (Murzyn, Walker) 2. V-Odjick 3 (Bure, Ohlund) 3, Phoenix, Gartner 6 (McKenzie, Janney) 2d Period: V-Murzyn 5 (Gelinas) 5. V-Lumme 4 (Messier, Bure) 6. V-Bure 22 (Messier, Babych) (pp). 3d Period: None. Shots on goal: V- 6-12-5—23. Phoenix 11-5-8—24. Goalies: V-Irbe. Phoenix, Khabibulin.

Chicago 0 0 0 0—0
Edmonton 0 0 0 0—0
1st, 2d and 3d Period: None. Overtime: None. Shots on goal: C- 8-9-11-0—28. E-6-10-10-4—30. Goalies: C-Hackett. E-Joseph.

Toronto 2 1 3—6
Anaheim 1 1 0—2
1st Period: A-Stevenson 3 (Sacco) 2. T-, Schneider 2, 3. T-Hendrickson 3 (Johnson) 2d Period: A-Kariya 2 (Selanne, Rucchin) 5. T-Korolev 12 (Johnson, Sundin) 3d Period: T-Sundin 12, 7. T-Sundin 13 (Macoun, Smith) 8. T-Hendrickson 4. Shots on goal: T- 16-11-12—39. A- 6-9-9—24. Goalies: T-Potvin. A-Hebert.

SKIING

World Cup

WOMEN'S SUPER-G

TUESDAY IN VAL D'ISERE, FRANCE

1. Katja Seizinger, Germany, 1 m., 7.09 s; 2. Renate Goetschl, Austria, 1:07.11; 3. Hilde Gerg, Germany, 1:07.46; 4. Stefanie Schuster, Austria, 1:07.67; 5. Michaela Dorfmeister, Austria, 1:07.74; 6. Isolde Kostner, Italy 1:07.85; 7. Barbara Merlin, Italy 1:07.89; 8. Martina Ertl, Germany, 1:07.97; 9. Corinne Rey-Bellet, Switzerland, Alessandra Meissnitzer, Austria, 1:07.98

SUPER-G (after 3 events): 1. Seizinger, 300; 2. Gerg, 185; 3. Kostner, 180; 4. Gotschl, 175; 5. Ertl, 114; 6. Regina Hausl, Germany, 91; 7. Meissnitzer, 84; 8. Katharina Gutensohn, Germany, 74; 9. Dorfmeister, 73; 10. Schuster, 60.

OVERALL (after 11 events): 1. Seizinger, 743 points; 2. Gerg, 489; 3. Ertl, 410; 4. Kostner, 387; 5. Meissnitzer, 381; 6. Gotschl, 361; 7. Deborah Compagnoni, Italy, 243; 8. Ylva Nowen, Sweden, 233; 9. Heidi Zurbriggen, Switzerland, 208; 10. Leila Piccard, France 181.

SOCCER

SOUTH AMERICAN SUPERCUP

FINAL, RETURN

River Plate, Arg., 2, Sao Paulo, Bra., 1

River Plate won 2-1 on aggregate.

CONMEBOL CUP

FINAL, RETURN LEG

Atletico Mineiro, Bra., 1, Lanus, Arg., 1

Atletico Mineiro won 5-2 on aggregate.

GERMAN CUP

QUARTERFINAL

Bayern Munich 2, Bayer Leverkusen 0.

SPANISH FIRST DIVISION

Atletico Madrid 2, Mallorca 3
Compostela 0, Celta Vigo 0
Espanyol 0, Racing Santander 0
Merida 0, Valladolid 0
Oviedo 1, Athletic Bilbao 2
Salamanca 2, Tenerife 0
Real Sociedad 2, Sporting Gijon 1
Real Zaragoza 2, Real Madrid 2

STANDINGS: Barcelona 37; Real Madrid 36; Real Sociedad 31, Atletico Madrid 30; Espanyol 29; Celta, Athletic Bilbao 28; Betis 26; Mallorca, Zaragoza 24; Oviedo 23; Racing 20; Salamanca, Merida, Valladolid 17; Deportivo 15; Valencia, Compostela 15; Tenerife 14; Sporting 3.

ENGLISH PREMIER LEAGUE

Newcastle 0, Derby 0

TRANSITIONS

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

MIAMI—Activated C Alonzo Mourning from injured list. Put G Charles Smith on injured list.

NEW JERSEY—Placed F Chris Gatling on injured list. Activated F Jack Haley from injured list.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NFL—Fined Denver LB Bill Romanowski $7,500 for spitting in the face of San Francisco's WR J.J. Stokes in Monday night's game.

ARIZONA—Put DT Eric Swann and OL Joe Wolf on injured reserve. Signed DL Rashod Swinger from practice squad.

DENVER—Released DT Michael Dean Perry.

WASHINGTON—Signed K Chris Jacke. Put G Tre Johnson on injured reserve.

HOCKEY

NATIONAL HOCKEY LEAGUE

PHILADELPHIA—Signed C Eric Lindros to 1-year contract extension through 1998-99 season.

COLLEGE

SOUTHERN CALIFORNIA—Fired John Robinson, football coach. Named Paul Hackett new coach

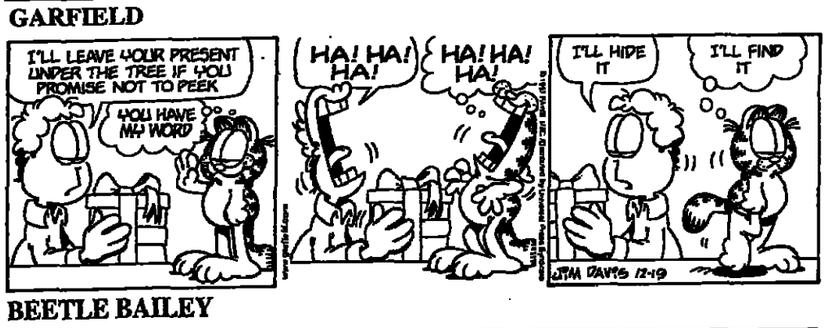
DENNIS THE MENACE

"I GOT THIS EXTRA ONE TO HANG ON THE WILSONS' FIREPLACE."

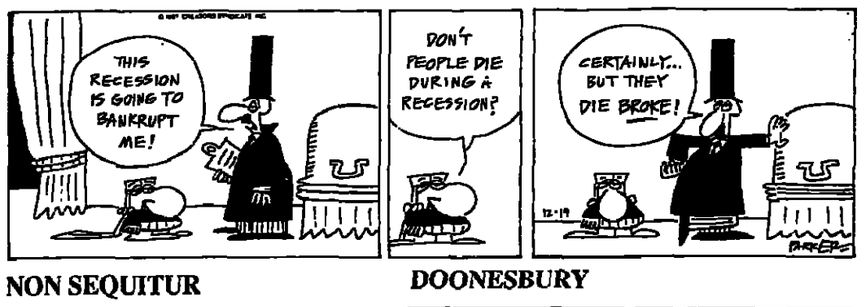
PEANUTS

CALVIN AND HOBBES

GARFIELD



WIZARD of ID



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(Answers tomorrow)

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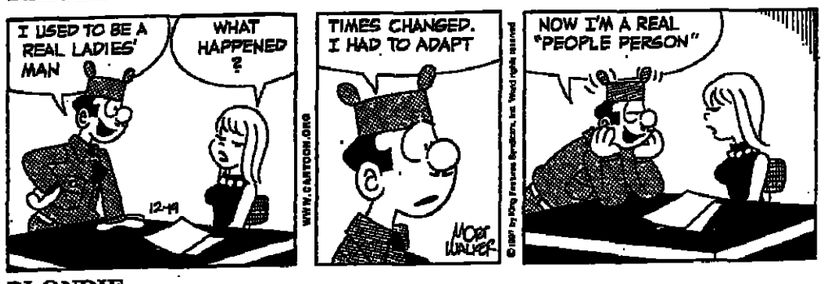
Answer: What the successful politician excelled at — RUNNING

BEETLE BAILEY



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POSTCARD

'Capeman' in Trouble?

By Rick Lyman
New York Times Service

NEW YORK — After announcing this week that the Broadway opening of the Paul Simon musical "The Capeman" would be delayed for three weeks to Jan. 29, the producers are busily squelching rumors that the show was in trouble and that veteran directors were being brought in to save it.

Dan Klores, who has been Simon's publicist for several years and is also one of the show's producers, said that the opening was being delayed only to provide time for more rehearsal, the addition of at least one new song and other tinkering.

"We have some terrific ideas to try and implement, and one of them is a big song in the second act, and we have some creative moves to make which will make the show even better," Klores said. "The feeling is, why put something out there on Jan. 8 when we feel very strongly that we can put something out that's much more entertaining three weeks later?"

"The Capeman" has been in previews at the Marquis Theatre since Dec. 1, and several theater professionals who have seen performances said that the show did appear to have some problems, including a puzzling dearth of dance sequences for a show being directed by a choreographer, Mark Morris.

People who have purchased tickets to what would have been the first three weeks of regular performances, Jan. 8 to 28, will be given a refund of the difference between the full ticket price and the preview price, a difference of $7.50 for the most expensive seats.

Two Broadway veterans who are not involved with the production estimated that, with additional rehearsal costs including overtime, the delay could end up costing between a half-million and a million dollars. But other theater professionals said that "Capeman" tickets had been selling so well during previews that the actual loss may not be that great: Sales amount to about $100,000 a day, which is very substantial for a show that is still in previews.

Broadway theater circles have been rife with rumors in recent weeks about problems in the show, which is based on a 1959 New York City murder case involving a Puerto Rican teenager convicted of killing two white teenagers. Most of these rumors concerned the relative inexperience of the "Capeman" creative team, particularly Morris, who is directing his first Broadway musical. It is also Simon's first Broadway musical, and the first for both of its leading performers, Ruben Blades and Marc Anthony.

□

Morris, for instance, left the production for several days during previews, the period when a director normally works long hours to fine-tune a production, to travel with his dance company.

Klores said that the producers had no intention of replacing any member of the creative team, including Morris. "Mark Morris is totally solid," Klores said. "There is no issue there. We knew a year ago that he was committed to doing four days in December with his dance company. It was no problem. He has two assistant directors who are fine."

He also denied rumors that veteran directors like Mike Nichols or Nicholas Hytner were coming in to work on the show.

Star Turn: The Marketing of Matt Damon

By Sharon Waxman
Washington Post Service

LOS ANGELES — Matt Damon has arrived. The actor's limousine pulls up in front of the Bruin Theatre in Westwood and out he steps, a young man with flushed cheeks, glistening eyes, perfect teeth. He's wearing Armani, black, double-breasted. It was free. A hundred lightbulbs flash. "Matt! Matt!" The din rises to a deafening clamor: "Matt! Hey, Matt!" Pedestrians on the sidewalk have gathered in a knot: Matt who?

Damon is numb, in a cloud. Blinded and deafened by his Hollywood Moment. He grabs his agent like a life preserver. Two arms, full body cling. Otherwise he might fall over. "It's happening!" he splutters emotionally into the agent's ear. Agent Patrick Whitesell smiles. "This is it! Oh my God. This is it."

The scene is the Los Angeles premiere of Damon's new film, "Good Will Hunting." It is repeated three days later in New York.

Damon has come out of nowhere. All of a sudden the actor is unavoidable — in a double-page spread in Time magazine, in USA Today, pre-recorded on "The Tonight Show," live on MTV. He's in two movies this month, "The Rainmaker," which just opened, and "Good Will Hunting," which opens Christmas Day. He's starring in a third, Steven Spielberg's "Saving Private Ryan," this spring. He's shooting a new movie now, "Rounders," about a gambling addict drawn into the underworld. And with his appearance on the cover of December's Vanity Fair, Damon has been officially received as the newly consecrated Hollywood prince. He's this year's Matthew McConaughey. This season's Chris O'Donnell. This cycle's Leonardo DiCaprio.

It may seem sudden and random. But there's nothing sudden or random about it. The making by Hollywood of Matt Damon, the Star, is as deliberate as the crafting of Bill Clinton, the Candidate, or Stella Tennant, the Supermodel.

The actor is well aware of this. He knows that being a great actor is different from being a great movie star, and while he seeks only the former, he's not unhappy about becoming the latter. After all, for a long time (at least by a 27-year-old's standards) he grumbled and chafed and fretted and moaned: Why hasn't my turn come?

"I wasn't the most gracious person," he admitted in a phone conversation after the Los Angeles premiere. "I'm sure I looked at people, I looked all the time and said, 'Why is that guy working when I'm not working?' That's the curse of the struggling actor."

So why Damon? It could be because he's deserving, as his friends say. It may be because he's talented, as his collaborators attest. But more than likely it's because Damon fits the ticket. He's fresh-faced, sexy ... and let's not forget the teeth.

"I want [the New York Times] Arts & Leisure, GQ, Esquire, Vanity Fair," says Chris Pula, the just-ousted head of marketing at Warner Bros., previously a marketing whiz at New Line, who knows something about the starmaking machine. "Those are the four backbone things that all the press reads that's important in creating a buzz."

Matt Damon has had a low-grade buzz about him for more than a year. It began when a few people in Hollywood noticed his small role in "Courage Under Fire," starring Denzel Washington and Meg Ryan. Damon played a soldier so freaked out by his war experience that he becomes a heroin addict. He lost 40 pounds for a two-day scene, then gained them back for a subsequent scene three weeks later. The experience has left him with a stress condition that he has only just stopped treating with medication.

Dumb move, endangering his health like that, right? Course not, says Whitesell, who counseled Damon to take the part. "If you score and you're memorable, it gives people an awareness of you," he says. "That leads to other opportunities."

Erica Berger for The Washington Post
Matt Damon, Hollywood's latest instant star.

Which, as it happens, it did. Francis Ford Coppola agreed to screen-test Damon for "The Rainmaker" and chose him over Ed Norton, another hot new discovery. On the strength of that, "Good Will Hunting," an old script that Damon wrote with childhood friend Ben Affleck, was being taken far more seriously. The script had languished because of Damon's and Affleck's insistence that they play the principal roles of roughneck buddies from South Boston. Then as he was doing research on his "Rainmaker" character in Knoxville, Tennessee, Damon got the news that Miramax had picked up the project and agreed to the screenwriters' terms.

Soon after he got the green light for his screenplay, he sent an audition tape to Steven Spielberg, then briefly met the director thanks to Robin Williams, his co-star in "Good Will Hunting." That's how he got the part in "Saving Private Ryan." And once he was working with Coppola and Spielberg, once Damon had the formidable independent studio Miramax on his side, the starmaking machine shifted into gear. This past February, publicist Jennifer Allen met with Jane Sarkin, Vanity Fair's features editor. It was the sort of encounter that Hollywood publicists routinely have with key magazine editors, a delicate cross between seduction and sales pitch, part courtship and part casting call. They talked about actors in upcoming projects; Allen mentioned Damon. Sarkin had heard the buzz; she signed him up for a two-page spread in the October issue.

Allen and Sarkin stayed in touch; the photo session for the October spread was in early July, just after "Good Will Hunting" had wrapped its shoot. Then Sarkin and Editor in Chief Graydon Carter were shown some scenes from "Rainmaker" and "Hunting." Bull's-eye. Carter anointed Damon as the December cover. "We were very flattered," says Allen. Sarkin declined to discuss this process, and Carter issued a comment through the magazine publicist about becoming convinced that Damon was the "next big thing."

Meanwhile, the buzz had kicked in elsewhere. Time magazine got Damon early, sending a reporter slumming through the streets of Manhattan with the as-yet-unknown actor. The Los Angeles Times later got an exclusive. Soon everyone else had to have him. The tabloids. The movie magazines. The "Today" show.

"This business is driven now by movie stars," says agent Whitesell. "More and more the studios need leading men to hang their films on. And once you've gotten past Tom Cruise, Brad Pitt, Matthew McConaughey, Keanu Reeves — who is there? There's a real need for more leading men. It's a supply-and-demand thing."

Damon has been around the block. A Harvard dropout, he landed a few early roles — "Mystic Pizza" in 1988, "School Ties" in 1992 with Brendan Fraser and Chris O'Donnell, both of whom went on to steady acting careers. Damon, meanwhile, suffered in the wilderness with buddy Affleck, striving for bigger roles, landing only small ones.

So when "Courage Under Fire" came along, a role with a severe weight-loss requirement, he decided to go for it. "Actors are handicapped by dint of the fact that we're hired guns," he says.

THEATERS

Now, That's 42d Street: A Broadway Palace Is Built

By David W. Dunlap
New York Times Service

NEW YORK — "Tony, are they going to pour the orchestra Thursday?" Peter H. Kofman asked one morning last February, the edge in his voice suggesting that there was only one answer he wanted to hear.

Kofman, an architect and engineer from Toronto, stood near Times Square inspecting an embryonic steel skeleton that was growing even as he watched, beam upon column etched against a pale winter sky. In the fanlike arcs of the balconies-to-be, the framework had begun to hint at its structural destiny. It was becoming a theater.

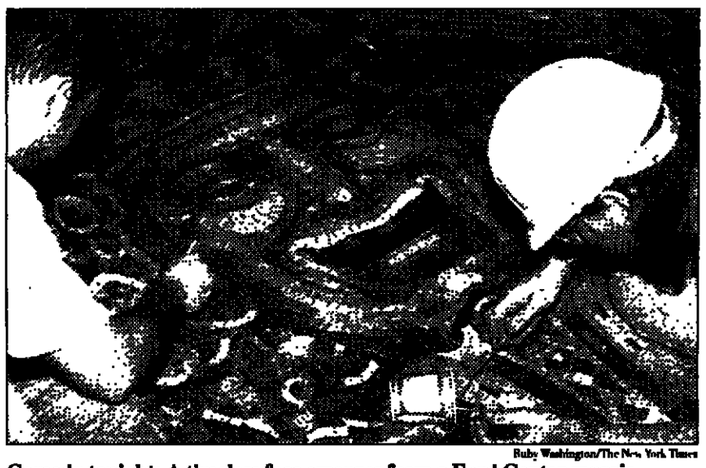
A really big theater.

Concrete was about to be poured to form the auditorium floor. And Kofman sought assurance from the on-site project architect, Tony Tarazi, that this would occur the next day, as scheduled.

Every hour mattered. Kofman's client, Garth H. Drabinsky, chairman and chief executive of Livent, the Toronto-based theatrical production company, had told the world that he would have the theater, the Ford Center for the Performing Arts, open by December 1997. More than Drabinsky's reputation was on the line with this high-stakes goal; so were investment-tax credits worth $4 million to $5 million, applicable only if the theater was in operation by year's end.

As it happened, the orchestra floor was poured on schedule. Indeed, it seems that almost everything has gone right with the $22.5 million construction project. And so its many doors — there are entrances both on 42d and 43d streets — are about to open, on time. This brings to a close the story of how a plush theatrical showplace emerged from what was a muddy pit only a year ago.

With a flourish, the Ford Center has appropriated the exuberant 43d Street facade of the Lyric Theater — a turn-of-the-century, four-story riot of richly sculptured detail. But it has replaced the actual structure of the Lyric and its handsome next-door neighbor, the Apollo Theater of 1920, bookends to the brief period when 42d Street was the theatrical hub of New York City, the giddily high-spirited province of Shubert brothers and Ziegfeld girls.



Ruby Washington/The New York Times
Comedy tonight: A timeless face emerges from a Ford Center mosaic.

Two historic 42d Street playhouses, the New Victory and New Amsterdam, have already been reclaimed as part of the government-sponsored 42d Street redevelopment project. Twelve days from now, when its curtain rises on the first New York preview of the musical "Ragtime," the 1,821-seat Ford Center will take its place as one of Broadway's largest theaters and its first new playhouse in more than a decade. Opening night is Jan. 18.

Drabinsky is so proud of his theater that on Sunday he is inviting the public to an inspection tour between 10 A.M. and 6 P.M. Visitors will walk over the speckled mosaic faces of Tragedy and Comedy. They will discover as many chandeliers as a dowager has diamonds. Under the great elliptical dome salvaged from the Apollo and restored to Easter-egg perfection, they will find murals depicting music, dance and drama in ancient Greece. And everywhere they will spot lyres, emblems of the Lyric; painted, stenciled, cast in iron.

What they will not see is a restoration of the Apollo and Lyric auditoriums. Until a year ago, the Livent team artfully presented its plans to the public as a kind of combination and renovation of two old playhouses. In truth, the Lyric and Apollo were demolished. Yet key features were preserved and reincorporated in the new building: the Lyric's facades and the domes, proscenium arch, boxes and 42d Street lobby from the Apollo, which was designed by Eugene DeRosa.

"We're saving history and putting it in a much more practical environment," Drabinsky said. "The other theaters would have sat there and rotted. There's no point in talking about the conservation and restoration of history if it can't be savored by the public."

There is much to be savored in the Lyric facade, designed by V. Hugo Koehler, who was also the architect of a celebrated Harlem playhouse, the Lafayette Theater. Athena and Hermes gaze impassively on arriving theatergoers while demonic ram's-head masks leer over their shoulders. Banded columns soar upward from a second-story balustrade, framing arches that contain the busts of three bewhiskered Edwardian gentlemen. The brickwork is punctuated by oculi and festooned with enough wreaths for an opening-night bouquet.

Behind this facade was built an entirely new four-story structure housing the main lobby, a box office and two rehearsal halls.

On 42d Street, behind a smaller Lyric facade that was also preserved, is a renovated three-story structure containing another box office and a through-block link to the main lobby. On the second floor is an office, once used by the Shuberts, that will serve as Drabinsky's New York base.

Just west of the Lyric's facade on 43d Street is a new 94-foot-long, 70-foot-high box-clad in red-brick panels that contains the auditorium of the Ford Center. Rising beside the auditorium is the structure known as the stage house, which contains the stage deck, the fly loft into which scenery is hoisted and, below, the trap room into which the stage floor can be lowered. Reaching 100 feet, this structure is as tall as a 10-story apartment building. Atop it is a 40-foot-high rooftop sign.

At the pinnacle of the sign is the familiar logo of the Ford Motor Co., which paid Livent for "naming rights," as it has for theaters in Chicago, Toronto and Vancouver, British Columbia. Just how much, neither company will say. But Christopher P. Dixon, an entertainment analyst at Paine Webber who follows Livent, estimated that the New York theater commanded at least $8 million to $10 million.

In return, Ford gets its blue oval in lights over Broadway and its name repeated in countless advertisements, posters, playbills and press accounts.

PEOPLE

THE film "Titanic" captured a leading eight nominations for the Golden Globe awards on Thursday, including selections for best dramatic motion picture, best director for **James Cameron**, best dramatic actor for **Leonardo DiCaprio** and best dramatic actress for **Kate Winslet**. **James Brooks's** "As Good As It Gets" earned six nominations, including best musical or comic movie, and **Curtis Hanson's** "L.A. Confidential" collected five nominations. "Amistad" and "Good Will Hunting" each received four. Facing DiCaprio in the dramatic actor race were **Matt Damon** for "Good Will Hunting"; **Daniel Day-Lewis**, "The Boxer"; **Peter Fonda**, "Ulee's Gold," and **Djimon Hounsou**, "Amistad." The best dramatic actress picks: **Helena Bonham Carter** for "The Wings of the Dove"; **Judi Dench**, "(Her Majesty) Mrs. Brown"; **Jodie Foster**, "Contact," and **Jessica Lange**, "A Thousand Acres." The awards are given by the Hollywood Foreign Press Association.

□

Nine years after the death of the spy **Harold (Kim) Philby**, his widow has published a book, saying she wants to dispel some of the myths about Philby's personal life. "Very many books have been written about Kim," **Rufina Pukhova-Philby** said Thursday, "and I have read so many lies and contradictory statements, that I realized that nobody knows anything about his personal life." Pukhova-Philby, who is half Polish and half Russian, married Philby in 1970. She was his fourth wife. Philby passed British and American secrets to Moscow while working at the top level of MI6, the British intelligence service, for two decades, until the mid-1950s, when he defected.

Oleg Nikishin/The Associated Press
Rufina Pukhova-Philby at Moscow news conference.

□

A man authorities say was obsessed with **Steven Spielberg** was arrested around the director's home in Los Angeles carrying a list of his children's addresses, as well as a box cutter, duct tape and handcuffs and articles about the director's films. **Jonathan Norman** faces trial Jan. 13 on charges of stalking the director. At the time of his arrest near Spielberg's home in July, Norman identified himself as Spielberg's adopted son, the prosecutor said. Spielberg was filming in Ireland at the time. The details of the case had been sealed until now.

□

The bluesman **B.B. King**, scheduled to perform at the Vatican's Christmas concert on Friday, said he would donate his famous guitar, "Lucille," to **Pope John Paul II** after the performance. Others on the program are **Chaka Khan**, the Portuguese group **Madredeus** and **Mireille Mathieu**.

□

Roy Orbison, Bo Diddley, Paul Robeson and the **Mills Brothers** will be honored for lifetime achievement at the Grammy Awards ceremony on Feb. 25.

□

Bob Geldof, who helped raise money for Ethiopian famine victims in 1984, has raised $833,000 for Unicef to help victims of floods in Somalia. "When the Somalis told me that Geldof means camel-looter in their language, we had a great laugh," Geldof said of his trip there in June.

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